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**IN THE SUPREME COURT OF INDIA
CIVIL ORIGINAL JURISDICTION
I.A NO. 6 of 2013
IN
WRIT PETITION (CIVIL) NO. 829 of 2013**

IN THE MATTER OF:

S.G. Vombatkere & Anr.

...Petitioners

Versus

Union of India & Ors.

...Respondents

AND IN THE MATTER OF

Unique Identification Authority of India
Tower-II
Jeevan Bharti Building
New Delhi

...Applicant

**AFFIDAVIT IN REPLY TO THE I.A ON BEHALF OF
THE PETITIONERS**

I, Bezwada Wilson, S/o Late Shri Yacob, aged about 47 years, R/o 36/13 Ground Floor, East Patel Nagar, New Delhi, do hereby solemnly affirm and state as follows:-

1. I am the Petitioner No.2 in the captioned writ petition. I am fully conversant with the facts and circumstances of the present case and as such I am competent to swear this affidavit on behalf of the Petitioners.
2. I say that the captioned writ petition is connected to (i) WP (c) No. 494 of 2013 (Justice K.S. Puttaswamy (Retd) & Anr v/s Union of India & Ors) (ii) WP (c) No. 833 of 2013 (Aruna Roy v/s Union of India & Ors) and other Transfer Petitions filed by the Union of

India namely T.P (c) No.47-48 of 2013, T.P (c) No.476 of 2013. I say that by an order dated 19-9-2013, this Hon'ble Court was pleased to list the captioned writ petition with WP (c) No. 494 of 2013. I say that after the order dated 19-9-2013, all the above matters are being heard together by this Hon'ble Court. Annexed and marked hereto as '**ANNEXURE A-1-(PAGES 40-41)**' is the copy of the order dated 19-9-2013.

3. The common thread in all these matters is that they are filed in public interest and the core challenge in these matters is the violation of basic human rights as a result of the Unique Identification Project ("**UID Project**") being implemented by the Respondents.
4. I say that on 23-9-2013, this Hon'ble Court heard all the parties in (i) WP (c) No. 494 of 2013 (ii) captioned writ petition i.e. WP (c) No. 829 of 2013 and (iii) T.P (c) No.47-48 of 2013, T.P (c) No.476 of 2013 at the admission stage and granted the following reliefs:
 - a) Allowed the abovementioned Transfer Petitions filed by the Union of India;
 - b) Issued notice in the captioned writ petition;
 - c) Directed that all the connected matters be listed together for final hearing;
 - d) Passed an interim order directing that no person should suffer for not getting the Aadhaar card inspite of any circulars that had been issued by any authority making it mandatory. This Court also directed that when any person applies to get the Aadhaar Card voluntarily, it may be

checked whether the person is entitled for it under the law and that it should not be given to any illegal immigrant.

It is clear from the order itself that interim relief was granted in all matters. Annexed and marked hereto as '**ANNEXURE A-2-(PAGES 41 TO 44)**' is the copy of the order dated 23-9-2013.

5. I say that after the interim order dated 23-9-2013 was passed, I.A Nos. 2, 3, 4, 5 & 6 of 2013 ("**said I.A's**") have been filed by or on behalf of Union of India in Writ Petition (C) No. 494 of 2013 purporting to seek a clarification of the order dated 23-9-2013. The following is the list of parties which have filed the Said I.A's:
 - a) I.A No. 2 of 2013 filed by Union of India, through Ministry of Petroleum and Natural Gas for impleadment and clarification of order dated 23-9-2013.
 - b) I.A No. 3-5 of 2013 filed by Indian Oil Corporation Ltd, Bharat Petroleum Corporation Ltd and Hindustan Petroleum Corporation Ltd. for clarification of order dated 23-9-2013.
 - c) I.A No.6 of 2013 filed by Unique Identification Authority of India (Respondent No.3 in the captioned matter) for modification/clarification of order dated 23-9-2013.
6. I say that pursuant to directions of this Hon'ble Court, I have been served the copy of the I.A No. 6 of 2013 filed by UIDAI through my Advocate and I have gone through the contents thereof. I am filing the present affidavit in reply to place on record true and correct facts for consideration of this Hon'ble Court and to oppose grant of any relief in this I.A.

A. PRELIMINARY SUBMISSIONS

7. At the outset, I say that the Applicant herein has no locus to file the present application seeking the purported clarification/modification to the extent that the order deals with mandatoriness inasmuch as the Applicant is merely an authority which claims to provide identity proof to citizens/residents. I say that it is not concerned with providing subsidies or other welfare schemes of the Union of India. As such, the order dated 23-9-2013 passed by this Hon'ble Court has no impact qua the Applicant. To the extent that no prejudice is caused to the Applicant, this application seeking a clarification/modification ought to be rejected.
8. At the further outset, I say that the order dated 23-9-2013 passed by this Hon'ble Court is absolutely clear. More significantly, it was passed after hearing the Union of India. In such circumstances, I state that there is no merit in filing this I.A for clarification under frivolous pretexts. Hence, this I.A ought to be rejected with costs.
9. Without prejudice to the above, as stated hereinafter, the Said I.A seeks to canvass a case which is completely contradictory to what was placed before this Hon'ble Court by the Union of India on 23-9-2013. I humbly submit that this Hon'ble Court ought not to permit any party to approbate and reprobate its position and on this ground alone the Said I.A ought to be rejected.

10. In any event, I say that by the said order dated 23-9-2013 as well as order dated 8-10-2013 this Hon'ble Court observed that all petitions require to be heard finally and accordingly this Hon'ble Court has been pleased to issue appropriate directions for listing the matters. As such, I say that hearing of the Said I.A ought to be deferred till vital issues of constitutionality of UID Project and violation of fundamental rights are heard by this Hon'ble Court. Annexed and marked hereto as '**ANNEXURE A-3-** **(PAGES 45 TO 46)** is the copy of the order dated 8-10-2013.
11. Without prejudice to any of the above submissions, I say that in addition to the submissions made hereunder, the averments contained in captioned writ petition and the interim application filed along with the writ petition may be treated as a part of this affidavit. I say that the foundation of the writ petition filed by the Petitioners herein and other connected matters goes to the root of introduction as well as implementation of the UID Project. I say that a strong case is made out that each new enrolment is illegal and unconstitutional. In such circumstances, before a hearing is granted on purported clarifications sought in Said I.A, it is imperative that Respondents and the Applicants in the Said I..A. provide a satisfactory explanation on serious issues of privacy, security etc. raised in the all connected matters.
12. I also state that the petitioners herein are not opposed to any welfare schemes of the Union of India or its departments which are launched in public interest. However, I say that every welfare

scheme of the government must pass muster with the constitutional safeguards. As elaborated in detail below and in the petition, the UID Project as conceived and implemented fails to fulfil basic norms prescribed by the constitution.

B. CONTRADICTIONS/MISREPRESENTATIONS OF THE UID PROJECT

(i) VOLUNTARINESS OF UID PROJECT

13. It is essential to bring on record the apparent contradictions in the position taken by the Respondents with regard to voluntariness of Aadhaar card and the UID Project. Following are some the instances where the Union of India have expressly represented that Aadhaar Number is not mandatory:

i) The Minister of State for Parliamentary Affairs while replying to a related question in the Rajyasabha has expressly taken a position that Aadhaar card is not mandatory for any purpose, including availing subsidies and "if any public sector undertaking is doing it, the same will be corrected". Annexed and marked hereto as '**ANNEXURE A-4-(PAGES 47 TO 48)**' is a media report published in 'The Hindu' on 23-8-2013.

ii) The Unique Identification Authority of India ("**UIDAI**") (Respondent No. 3 in the captioned writ petition) has always maintained that enrolment for the Aadhaar card would not be mandated by them. Annexed and marked as "**ANNEXURE A-5-(PAGES 48 TO 49)**" is a media report published in The

Hindu on 12-5-2010 reflecting the position taken by representative (Chairman) of UIDAI on Aadhaar card being voluntary.

- iii) The Counter Affidavit filed by Union of India in WP (C) No. 494 of 2012 expressly states at multiple places that Aadhaar card is only voluntary. This position was also taken during the hearing before this Hon'ble Court on 23-9-2013. However, this I.A is completely contradictory and seeks judicial sanction from this Hon'ble Court for making Aadhaar Card a pre-requisite for availing basic services of the government.

It is submitted that it is such equivocation by the Union of India that has caused much confusion in the minds of people and that, if anything, the order dated 23.09.2013 passed by this Hon'ble Court is amply clear and helps clarify that no authority should insist on Aadhaar for any purpose and requires no further clarification or modification.

(ii) LEGISLATIVE FRAMEWORK

14. Although the UID Project was launched in September, 2010, the 'National Identification Authority of India Bill, 2010' was introduced in the Parliament only on 3.12.2010. This Bill was referred to the Parliamentary Standing Committee on Finance which tabled its report in Parliament in 13.12.2011. Not only did the Committee find that the Bill was wanting in several respects, it also expressed its disapproval on how the Union Government had proceeded with

the project even when it awaited an all-important Parliamentary sanction The report of the Committee states:

"The clearance of the Ministry of Law & Justice for issuing aadhaar numbers, pending passing the Bill by Parliament, on the ground that powers of the Executive are co - extensive with the legislative power of the Government and that the Government is not debarred from exercising its Executive power in the areas which are not regulated by the legislation does not satisfy the Committee. The Committee are constrained to point out that in the instant case, since the law making is underway with the bill being pending, any executive action is as unethical and violative of Parliament's prerogatives as promulgation of an ordinance while one of the Houses of Parliament being in session.... The Committee would, thus, urge the Government to reconsider and review the UID scheme as also the proposals contained in the Bill in all its ramifications and bring forth a fresh legislation before Parliament."

Despite this, the Union of India has proceeded with the implementation of the UID Project without any regard to the need for an effective legislative framework and certainty in the policy.

(iii) NATIONAL SECURITY

15. The UID Project seeks to create a centralized database of sensitive information of citizens/residents without adequate safety of this information. The process of collection and storage of this

information is handled by a huge network of private agencies making the information vulnerable to attack. In fact, there is a strong possibility of handing over of this data to foreign companies without any regulation. Recognising this, the Union Home Ministry has expressed serious concern on security of the country in view of unreliable methodology being used for enrolment. A media report published in the DNA referring to the position taken by the Union Home Ministry is hereto annexed and marked as '**ANNEXURE A-6-(PAGES 50 TO 51)**'. Despite this, the Union of India has proceeded with the implementation of the UID Project without any regard to the concerns expressed earlier by the Union Home Ministry.

16. It is respectfully submitted that the abovementioned contradictions fortify the case of the Petitioners herein on the need for an effective legislative framework for protecting the fundamental rights of the citizens. It also indicates the whimsical manner in which the UID Project is being implemented without any regard to the serious issues of constitutionality attached to this project.

C. UID PROJECT IS UNCONSTITUTIONAL

17. I say that the 'Direct Benefit Transfer for Consumers of Liquefied Petroleum Gas' ("**DBTL Scheme**") and other schemes work on a platform provided by the UID Project. Before dealing with the contents of this I.A and without prejudice to the contents of the captioned writ petition, it is essential to reiterate that the UID

Project is illegal and violates fundamental rights in the following manner:

- a) Ultra Vires: No legislative Scheme: The Union of India through executive fiat alone and without any legislative safeguard is employing a network of private players to obtain sensitive, personal biometric information of residents in India, including Indian citizens. The exercise of obtaining this information alters fundamentally the relationship between citizen and State. The State seeks to create a vast databank containing personal information that can be exploited by the State or private entities against the interest of the citizen/residents and without the knowledge of the citizen/residents. This exercise is plainly ultra vires inasmuch as it is being undertaken:
 - (i) Without any legislative sanction to conduct the exercise;
 - (ii) Without any amendment to existing laws relating to citizenship;
 - (iii) Without any amendment to the Constitution of India relating to citizenship;
 - (iv) Without any statutory guidance or limitation on who can collect the biometric information or how it is to be collected;
 - (v) Without any statutory provision regarding how the biometric information is to be stored and secured throughout the chain

beginning with acquisition of biometric data and other demographic information until the stage of storage;

- (vi) Without any statutory limitation on when the information can be used or by whom it can be used.

The collection of personal biometric information directly impacts the autonomy of an individual and his/her person. Any exercise on a national scale to secure every individual's biometrics without any legislative safeguards on use, storage, etc. amounts to a direct and nationwide assault on individual freedom. The impugned actions violate Article 21 of the Constitution of India inasmuch as the executive arm of the State is collecting personal biometric information without any sanction of law and in the knowledge that this information can be used against individuals to impinge their liberty. The State is prevented by the Constitutional mandate from interfering in individual pursuits, community pursuits and enterprise of any type except in a manner recognized by the Constitution and provided by law.

Further, it is submitted that the activity of obtaining personal biometric information of an individual cannot be engaged in by the State regardless of whether or not an individual voluntarily gave this information, save and except under a valid law. Here, without any legislative backing, the State is collecting sensitive, personal and biometric information that potentially may be used for the benefit of the individual or to

the detriment of the individual or even not used at all. The moment information of this type is sought to be collected by the State, under the Constitutional scheme there must be legislative backing. Absent any legislative backing, the UID project by its very invasive nature is ultra vires and void.

- b) No Informed Consent: This information is being obtained by the State from unsuspecting individuals who are merely seeking a reliable identification (ID) at the time of obtaining this information. Individuals are neither counselled nor informed that there is no statutory protection with regard to misuse of sensitive personal biometric information they are parting with. In fact, there have been several instances where individuals are being made to fill forms in languages which they do not understand. Annexed and marked hereto as '**ANNEXURE A-7-(PAGES 52 TO 57)**' is a detailed Affidavit of Ms. Reetika Khera, who has been working on issues of UID Project. Also annexed with 'Annexure A-7' is the CV Ms. Reetika Khera and other published articles.
- c) Private Parties Collecting Information without Safeguards: The personal sensitive biometric information is not being collected from residents by any statutory authority or government agency and the exercise in the field is being carried out by private entities for profit and these parties are not subject to any legislative oversight or administrative oversight by any statutory authority. Under no

circumstances, much less under an unregulated, non-statutory project such as the impugned project can the State cede dominion over personal data that can severely prejudice an individual.

- d) Private Dominion over Biometrics Without Government Control: Privatisation of biometric information of millions of residents which include Indian citizens poses an enormous threat to the autonomy of an individual and his personal liberty.
- e) Commercial Largesse: Private entities have been allowed to obtain this information from citizens/residents under the framework of UID Project without regard to the immense commercial wealth of biometric information that is being captured on privately owned computers and databases over which the government has no control.
- f) Security of Collected data: In addition to the haphazard and unreliable manner employed by the Respondents in collecting data, it appears that there is no secure manner in which the data will be stored; The UIDAI is also actively promoting 'Data Sharing Policy' with all State Governments which is strongly indicative of easy transferability of the collected information without any statutory checks.
- g) Surveillance: There are several organizations within the government such as the Intelligence Bureau, Research and

Analysis Wing (RAW), National Intelligence Grid etc which are outside the purview of legislations and are in fact exempt from disclosures under the Right to Information Act. There is a strong apprehension that these agencies can track individuals on real time basis increasing the scope of general public surveillance which is impermissible under the Constitution of India.

- h) **Compromise of data security:** UIDAI has contracted out work like creation of its Central ID Repository (CIDR) to foreign firms like L-1 Identity Solutions (Safran), which are intimately connected with foreign intelligence agencies. Also a point to note is that the French National Government owns as significant as 30% stake in Safran, the group owns two of the three companies providing biometric deduplication solutions – namely L1 Identity solutions and SAGEM Morpho. This is relevant because biometric impression of Indian citizens and residents may be easily transmitted to foreign governments who will then have access to the biometrics of Indian residents, potentially imperilling national security and severely undermining the privacy and autonomy of individuals.
- i) **Invasion of Privacy and undermining human dignity:** The UID Project as conceived and implemented results in extreme invasion of privacy and a violation of Article 21 in respect of persons who are issued an Aadhaar Card. The UID Project

also assaults the dignity of the individual by compelling persons on pain of exclusion from society to part with biometric information.

- j) Coercion to part with Biometrics: Aadhaar is being made mandatory for basic services for all citizens. In this manner, individuals are being coerced into parting with biometrics otherwise, essential services will be withheld from them.
- k) Failure to provide an option to 'Opt Out': The Petitioners submit that in order to pass the test of reasonableness and rationality, any scheme ought to have an option to opt out. Quite apart from the issue of informed consent, the UID Project does not give an individual an option to opt out after enrolling. This itself violates article 19 and article 21 of the Constitution. Annexure A – 7 (supra) includes affidavits by Ms. Reetika Khera and Ms. Sahana Manjesh, Advocate citing their own experience and expressing their desire to opt out.
- l) Flawed Introducer and Verifier System: The procedure adopted by the Respondent (through private entities) for securing enrolment for Aadhaar card includes a process of enrolment by 'introducers' in cases where individuals do not have identification documents. There are no criteria for the 'introducer' to know the individual thereby compromising the enrolment process. Instances have been given in the main petition.

- m) Unreliability of Biometrics: The biometrics collected from individuals is an extremely unreliable and unproven technology as observed elsewhere in the world. Without adequate scientific studies, the UID Project has been launched and is implemented in a hasty manner. I say that serious defects in collection of biometrics have come to light. One individual in the State of Kerala was enrolled and issued two Aadhaar numbers. In this case, the fingerprints and iris scan of the individual seem to have passed the so-called 'robust' de-duplication test of UIDAI. Annexed and marked here to as **'ANNEXURE A-8-(PAGES 58 TO 59)'** is the copy of media report published in 'Moneylife' recording this incident. Apart from the unreliability of biometrics generally, for certain segments of the population biometrics in the form of finger print and iris scans are not possible to capture because of 'physical limitations and they are treated as 'biometrics exceptions'. No reliable alternative method is adopted by the Respondents when issuing Aadhaar numbers to such persons and this has not only compromised the data base but is facilitating fraud. For instance, in Delhi the UIDAI has cancelled 3.84 lakh Aadhaar numbers of the total 4.10 lakh generated under the biometric exception clause. Annexed and marked here to as **'ANNEXURE A-9-(PAGES 60 TO 61)'** is the copy of media report published in 'Hindustan Times' records this fact.

18. It is humbly submitted that till date there is no response on any of the above issues raised in the writ petitions. Instead of filing an appropriate response for satisfying this Court on serious issues of constitutionality of UID Project, the Respondents have resorted filing the Said I.A emphasising on expenditure incurred for the UID Project. It is submitted that in absence of an explanation, adverse inference must be drawn by this Hon'ble Court on lack of adequate checks and measures in the implementation of UID Project.

D. INSTANCES OF COERCION FOR ENROLMENT OF AADHAAR

19. In fact, without regard to the above serious issues, the Respondents are insisting on Aadhaar number as a condition precedent for providing basic services to citizens. Set out below is a limited selection of the list of orders, resolutions and media reports demonstrating the coercive action of the Respondents:

- (i) The Government of NCT of Delhi, Revenue Department has issued an order on 20-12-2012 making Aadhaar number compulsory for registration of marriages as well as for registration of various documents in the Sub Registrar Offices. Annexed and marked as '**ANNEXURE A – 10 - (PAGES 62 TO 64)**' hereto is order dated 20-12-2012.
- (ii) The State of Maharashtra by its Government Resolution dated 3-6-2013 has made Aadhaar number mandatory for government employees for drawing salary. Annexed and

marked as '**ANNEXURE A-11-(PAGES 65 TO 70)**'

hereto is order dated 3-6-2013.

- (iii) Similarly, the State of Jharkhand has also made Aadhaar number compulsory for registration of documents in the Sub Registrar Offices. Annexed and marked as '**ANNEXURE A-12-(PAGES 66 TO 70)**' hereto is a media report from 'The Pioneer' and 'NDTV' dated 22-5-2013.
- (iv) The State of Karnataka has made Aadhaar number mandatory for availing benefits under government schemes such as social security pensions, LPG connection, ration card etc. Annexed and marked as '**ANNEXURE A-13-(PAGES 67 TO 70)**' hereto is a media report from 'Deccan Herald' dated 3-7-2013.
- (v) The Ministry of Petroleum & Natural Gas has made Aadhaar number mandatory for 'Direct Benefit Transfer' scheme for LPG customers. Annexed and marked as '**ANNEXURE A-14-(PAGES 68 TO 69)**' hereto is a media report from 'Business Standard' dated 15-5-2013.
- (vi) The Ministry of Rural Development has made it mandatory for every beneficiary under 'The Mahatma Gandhi National Rural Employment Guarantee Scheme' to have an Aadhaar number. Annexed and marked as '**ANNEXURE A-15-**'

(PAGES 70 TO 71) hereto is a strategy paper available on the website of UIDAI.

(vii) In this regard, the affidavit of Ms. Reetika Khera in Annexure A-7 (supra) may also be referred to for an instance of how one's biometrics is being coercively obtained for availing general services of the Revenue Department of the Government of Delhi.

20. Further, it is to be pointed out that there are examples of similar orders, circulars and actions even after and despite this Court's order dated 23.09.2013. Annexed hereto and marked as "ANNEXURE A-16(COLLY)-(PAGES 72 TO 81) are example News Items documenting such instances. There are a number of such articles in the public domain.

- a. Students in Jharkhand being denied scholarship for want of Aadhaar.
- b. The State Government of Mizoram issuing a release stating that Aadhaar would be mandatory for Government services.
- c. Documented instances of PDS outlets in Mysore demanding Aadhaar card/number as a precondition for selling fair price ration items.
- d. Food and Civil Supplies Department in Karnataka terming Aadhaar linkage in PDS as "compulsory".

21. It is humbly submitted that all the above decisions have been taken under the aegis of the Union of India. I say that if the Union

of India maintains that UID Project is voluntary, no plausible explanation is forthcoming on what basis these decisions have been taken. Article 144 of the Constitution mandates that all authorities, civil and judicial, in the territory of India shall act in aid of the Hon'ble Supreme Court. Therefore, order dated 23-9-2013 is binding on all authorities including State Governments.

22. It is submitted that coercion is being employed by the Respondents/Applicants by putting pressure on all citizens/residents to enrol for Aadhaar number failing which the basic services/rights will be withheld. Annexed hereto as **'ANNEXURE A-17-(PAGES 82-83)'** is a News Item which reflects this compulsion being used for speedy enrolment process.

23. It is submitted that the Union of India and the UIDAI have taken no steps to act in aid of this Hon'ble Court's 23.09.2013 order as no notification or order is reported to have been issued by any Authority or Agency reversing their respective notifications making Aadhaar card a pre-requisite for access to their services. Annexed hereto and marked as **'ANNEXURE A-18-(PAGES 83-84)'** is a News Item reported in the 'The Hindu' on how NREGA beneficiaries are still being denied wages for not possessing Aadhaar card. I say that the Union of India and the UIDAI (Respondents in the present writ petition) must be called upon to explain the steps taken for implementation of the order dated 23-9-2013.

E.

PILOT/EXPERIMENTAL PROJECT**BEING MADE MANDATORY**

24. It is essential to highlight the way in which the Applicants have sought to implement the project which manifests lack of credibility. Set out below are examples of what appears to be irrational planning of the project:
- a) The public enrolment began in September 2010, but the authentication proof of concept studies were not available until 2012. In other words, the decision to use biometrics was taken before necessary proof of concept studies were completed. Similarly, consultants were engaged in January – February 2010 when it was acknowledged that nothing was known about how biometrics would work in India, and that, in fact, “there is a lack of a sound study that documents the accuracy achievable on Indian demographics (i.e., larger percentage of rural population) and in Indian environmental conditions (i.e., extremely hot and humid climates and facilities without air-conditioning).we could not find any credible study assessing the achievable accuracy in any of the developing countries. UIDAI has performed some preliminary assessment of quality of fingerprint data from Indian rural demographics and environments and the results are encouraging. The “quality” assessment of fingerprint data is not sufficient to fully understand the achievable de-duplication accuracy.”and without sufficient monitoring or

checks on collection, de-duplication, retention and authentication, enrolments were commenced in September 2010 itself.

- b) The re-engineering of systems was proposed and initiated even before assessing the size of the problem that Aadhaar intends to solve. (For instance, even the deeply flawed NIPFP report, effectively sponsored by the UIDAI which tried to do a cost-benefit analysis of incorporating Aadhaar in various Government schemes, which is cited as "feasibility study" came as late as November 2012 when the enrollment had been on for nearly two years. In the feasibility study, it has been admitted inter alia that neither the costs nor benefits can be forecast with any accuracy). Annexed hereto and marked as "**ANNEXURE A-19-(PAGES 84 TO 115)**" is a copy of the cost – benefit analysis by NIPFP. Annexed hereto and marked as "**ANNEXURE A-20-(PAGES 116 TO 118)**" is a copy of an RTI response from UIDAI claiming the NIPFP study as the "feasibility study". Annexed hereto and marked as "**ANNEXURE A-21-(PAGES 119 TO 121)**" is a copy of Ms. Reetika Khera's article questioning both the unrealistic assumptions, and more importantly, the independence of the NIPFP study. Annexed and marked hereto as "**ANNEXURE A-22-(PAGES 122 TO 124)**" a copy of the response from NIPFP to Ms. Khera's article admitting the study as not being independent. Annexed hereto and

marked as "**ANNEXURE A-23-(PAGES 125 TO 126)**" is

Ms. Khera's rejoinder to the NIPFP response.

- c) Aadhaar number has been made mandatory and is being sought to be made mandatory for availing various benefits, services and/or subsidies even as it is maintained that the scheme is itself only experimental.

I say that the Applicant/Respondent in this I.A have admitted at multiple places that the UID project is still an experiment. In fact, there is also an express admission on the flaws and defects of the UID Project. Extracted below are the averments in this regard:

- "12. The application of Aadhaar for disbursement of subsidy (not service) to the LPG consumers is emerging to be a case study of removal of fakes and duplicates"
- "38.Exceptions, aberrations and anecdotal cases cannot be reasons to doubt, malign or undo government schemes and administrative measures manifestly serving desired public policy ends."
- "40. A few pilot projects have been rolled out but the pace of adoption is expectedly uneven. The learning curve is growing by the day and a transformational endeavour is in the making. The applicant submits that failings and inadequacies are not denied and will be attended to in earnest"

I say that the above admissions demonstrate the irrationality of the Union of India/Applicant in implementing an experimental project by making it mandatory on citizens/residents to participate in it. In fact, the express admission on the defects of this experiment confirms that there is a serious threat posed to the citizens/residents who have already parted with and who are being compelled to part with sensitive personal information. I say that it is completely illegal and arbitrary on the part of a government to conduct case studies on citizens/residents without legislative sanction and protection of citizens.

C) PARAGRAPH WISE REPLY

25. With regard to paragraph 1 to 3, I say that the same is a matter of record and require no reply.
26. With regard to paragraph 4, I say that the interim order dated 23-9-2013 passed by this Hon'ble Court under Article 32 of the Constitution of India seeks to protect citizens from violation of their fundamental rights by the Union of India or any of its instrumentalities. I say that the order is clear and requires no clarification. I say that, as expressly admitted by the Applicant, the UID Project is a massive experiment of the Union of India and as part of an experimental project, certain welfare schemes have been wrongly linked with Aadhaar card recently. I say that there is a serious challenge on merits on the flawed introduction and implementation of the UID project itself. In such circumstances, it

is obvious that all schemes purporting to rely on the UID project ought to await the outcome of this petition and other connected matters. I deny that the interim order of the court dated 23 September 2013 has created any doubts in the minds of enrolled residents or that social welfare schemes have been put into jeopardy.

27. With regard to paragraph 5, I say that the contents thereof are a matter of record and merit no reply.
28. With regard to paragraph 6, I say that the contents thereof are an attempt to circumvent the crux of the matter. I say that the core issue in this petition is serious violation of fundamental rights of citizens and in absence of a satisfactory answer, the alleged usefulness of Aadhaar card pales into insignificance.
29. With regard to paragraph 7, I say that the contents thereof are overstated claims of the Applicant. At the cost of repetition, I say that coercion is being employed to compel citizens/residents to enrol for the UID Project. I say that assuming the figures stated therein are true, the expenditure by the government cannot cure a defect of the scheme being ultra vires and illegal.
30. With regard to paragraph 8, I say the Union of India has devised a massive network of entities involving rampant outsourcing for creating a huge database of information. These entities are facilitating implementation of a scheme which is unconstitutional. I say that arrangements with private entities only go to show the

manner in which the State has ceded dominion over personal data to severe prejudice of an individual. I say that no satisfactory explanation is forthcoming to the crucial aspects raised in the captioned writ petition. I deny each and every claim made in the said paragraph and put the Applicant to strict proof thereof.

31. With regard to paragraph 9, I deny that there is no breach of privacy. I say that as detailed in the captioned Writ Petition (and in paragraph 16 above), the UID Project raises serious issues on infringement of privacy, personal security, liberty and right to anonymity etc. I deny that Respondent/Applicant is only adopting practises followed across the globe. I say that similar projects in other countries have been repealed/ struck down precisely for concerns raised in this petition. For instance in the UK, the National Identity Cards project was shelved and the reasons thereof have been noted by the Standing Committee on Finance. Further, the UID project must be looked at in the light of what government of India's approach paper on privacy states. The paper says, "Data privacy and the need to protect personal information is almost never a concern when data is stored in a decentralised manner. Data that is maintained in silos is largely useless outside that silo and consequently has a low likelihood of causing any damage. However, all this is likely to change with the implementation of the UID Project. One of the inevitable consequences of the UID Project will be that the UID Number will unify multiple databases. As more and more agencies of the

government sign on to the UID Project, the UID number will become the common thread that links all those databases together. Over time, private enterprises could also adopt the UID Number as an identifier for the purposes of the delivery of their services or even for enrolment as a customer. Once this happens, the separation of data that currently exists between multiple databases will vanish." On this ground alone, the UIDAI project should be abandoned as it concerns not only the present generation but future generations as well.

32. It is submitted that the project ought to be looked at as a whole in relation to other related initiatives of the Union of India. Reports of the Task Force on Direct Benefit transfer, the Report by the Technology advisory group on Unique Projects (TAG-UP report) – both of which the chairman of UIDAI was incidentally a part of – and other papers on the UIDAI website including "UID and PDS", "UID and health", "UID and NREGA" etc. indicate that
 - a. Governmental data and databases are to be privatised through the creation of NIUs, which will then own the data
 - b. NIUs shall be natural monopolies that use the data and the database to be profit-making and not profit-maximising;
 - c. Government will support the NIUs through funding them till they reach a steady state, and by doing what is needed to gather the data and create the database using governmental authority; Once the NIU reaches

steady state, the role of the Government will change to that of being a customer. Also the fact that in the budget presented by the then finance minister in March 2012 he announced that the "GSTN (Goods and Sales Tax Network) will be set up as a National Information Utility indicates that all the above is not merely in the realm of "farsighted vision" but very much a near-term reality. It is reported that the Goods and Services Tax Network has been established as an NIU, as a step towards the privatising of governmental data. (Annexed hereto and marked as **"ANNEXURE A-24-(PAGES 127 TO 131)"** is a copy of a News Analysis/Report supporting the same.)

- d. That the Aadhaar number, which would then be "ubiquitous" will be the main datum of convergence for all the data including everyday "transaction data" of all individuals and entities. Every identification by the individual at the point of authentication which could be for accessing any service including banking, PDS, Healthcare, Pension withdrawal, insurance remittance or claims, mobile/internet/telephone access, use of transport and toll-ways etc. is a transaction and such a transaction would be recorded in the database and would be "held" by the entity "owning" the data for predefined amounts of time and build a business model around access and sharing of

such data. The point to note here is a complete lack of regard for either informed consent or control from the individual whose data is being retained or shared.

33. Further, although the UIDAI asserts only to collect and store limited data relating to the individual, it is denied that is actually the case and that both the Authority itself and the Registrars working on behalf of the Authority collect all other personal information including bank accounts, PAN numbers etc. for various purposes. Further, as detailed above, all such sensitive data is planned to be handed over to private or partly-State-owned entities even as such data is being thought of as "National Assets" (for eg. The Biometrics Committee Report 2009), and even as the Standing Committee (Pls see the Report of the Standing Committee (**supra**)) was of the view that such data can only be held by State entities such as the NPR.
34. The Applicant/UIDAI has introduced a new data sharing policy with State Governments for sharing of data collected by it on a request made by the State Government. Although this policy purports to have certain checks and balances, firstly, it strengthens the apprehension raised by the Petitioners in this petition that the sensitive personal information being collected is capable of being transmitted easily on a request of a party. Secondly, that the Applicant/UIDAI is not accountable for such harm as it is not under any legislative control in case of misuse of information. Thirdly, this policy also fails to ensure that the recipient of information does not

part with or duplicate the information for its own retention. It is submitted that these ramifications are not explained to persons giving the information under the UID Project and amount to grave violation of right to life and personal liberty.

35. With regard to paragraph 10 & 11, I deny the contents thereof in totality and put the Applicants to strict proof. that care has been taken to ensure that there is no denial of service under DBT for those people not in possession of Aadhaar number is hereby denied. Annexed hereto and marked as **ANNEXURE A-25 - (PAGES 32 TO 41)** - is a collection of copies of news items and advertisements which communicate the idea that Aadhaar is indeed mandatory for availing of services under the DBT scheme. In fact, I say that there is an admission by the Applicant that the DBT scheme does not suffer any inconvenience due to the order dated 23.09.2013. I say that the same only reinforces the submissions made in this reply that there is no warrant for any purported clarification or modification.

36. With regard to paragraph 12, I say that Direct Benefit Transfer Scheme and other instances of coercion mentioned above are the 'special efforts' for enrolment mentioned in the said paragraph. I reiterate that UID Project and ancillary projects cannot be used as a case study projects by compelling citizens to part with biometrics and other precious information. I deny that there is any education and communication campaign carried out by the Applicant/Respondents. On the contrary I say that there is no

informed consent for enrolment of Aadhaar number. I deny the claim that a rational way to detect duplicate connections can be based on Aadhaar number alone or that all such detections are really duplicates and not mere victims of a flawed technology fix. I wish to put the Applicants to strict proof thereof.

37. With regard to paragraph 13, I say that linking of bank accounts and other platforms with Aadhaar number is a serious threat to privacy of a person, as explained above. I say that unless a sufficiently protective legislation is enacted, there ought not to be any interference with liberty of citizens/residents. I say that the Applicant has admitted that the UID Project and related schemes are greenfield schemes and as such being experimental in nature it cannot be said that there is no legacy system to fall back on. As admitted by the Applicant herein and the Applicants in the other related I.A.s, the DBTL scheme has a built in "grace period" within which the existing distribution channels and mechanisms will be in operation and that the order of this Hon'ble Court that is sought to be modified merely has the effect of extending the grace period. Further, it is to be noted that the said grace period has ended only in 19 of the 97 districts in which the DBTL scheme is currently in operation (i.e. 20 districts of Phase I and the 77 districts of Phase II) and in all other districts, the legacy system is actually "in operation". Further, the minutes of the meeting of the National Committee on DBT (Annexed hereto and marked as **ANNEXURE A-26-(PAGES 142 TO 171)**) show that the option of extending the grace period was always available to the committee until as

late as 05.08.2013 and that it decided against the same only on the consideration that it will create an expectancy of "postponements" thereby extinguishing the "incentive" for people to seed their Bank Accounts and become cash-transfer compliant.

It is worth pointing out that the said minutes note that the selection of pilot districts is based on Aadhaar Penetration Percentage. The minutes also disclose that here are districts in which the Aadhaar Penetration percentage is greater than 100% which indicates that either the de-duplication process has serious issues or that there are sizable numbers of people not residing in those districts getting enrolled from those districts indicating that the maximum achievable in any district is greater than 100% and therefore misleading to rely on such a measure.

38. With regard to paragraph 14, I say there is another pending Application by me seeking impleadment of some of the State Governments in this regard.
39. With regard to paragraph 15-16, I state that the fallacies and pitfalls associated with the UID Project and the over-arching questions on its constitutionality are up for agitation in the captioned Writ Petition. I say that till date no satisfactory explanation has been given by the Respondents/Applicants and this I.A is also an attempt to deviate from the core issue.
40. With regard to paragraph 17-19, I deny that Aadhaar is similar to any of the instruments mentioned there in viz., ration cards,

passports, job cards etc. I state that none of the instruments mentioned therein pose risks that Aadhaar does including:

1. Collection of Biometrics
2. Centralisation of sensitive personal information without statutory data and privacy protection mechanisms
3. Centralisation of personal information making possible "convergence" of data under various databases increasing the risks of indiscriminate surveillance and loss of personal security, liberty and privacy.
4. The irrational reliance on demonstrably unreliable technology.

Further, each of the other instruments mentioned therein actually provides for an entitlement - however, mandatory requirement of Aadhaar number creates an additional obstacle for persons who are rightfully entitled to benefit under schemes. I deny the claim that the Government has no intention to mandate Aadhaar for availing services of a "generic nature" that do not involve expenditure from the public exchequer. Annexed hereto and marked collectively as '**ANNEXURE A-27 - (PAGES 172 -)**' is a collection of copies of News Items on reports of Government and Government personnel stating exactly the opposite. Further, I submit that providing for social security and/or subsidies to the needy and deserving is a part of the obligations of the state and an exercise in pursuit of the constitutional ideals in Part IV of the Constitution of India. Therefore, the Applicant's attempt to seek judicial sanction to allow a scheme that effectively violates fundamental rights of

citizens/residents in order to access such schemes ought to be dismissed outright as being devoid of any merit.

41. With regard to paragraph 20, I say that issue before the Court in PUCL v. Union of India (WP(C) No 196/2001) or in State of Kerala v. SNVUP & Ors (C.A. No. 958/2013) was completely different. I say that issues of constitutionality and/or irrationality in implementing the UID project were not in issue before the Court and any observations made therein have little implication to the instant case in which the vires of the project is in question.. Further, it is to be pointed out that in the SNVUP case, the Order recorded a statement of the State of Kerala that the state considered that the UID could be used to determine the number of students each year and to detect bogus students. This was an alternative that the state suggested to the deployment of the police for checking bogus enrolment of students in school. This context led the court to state: "We are ... inclined to give a direction to the Education Department, State of Kerala to forthwith give effect to a circular dated 12.10.2011 to issue UID Card to all the school children and follow the guidelines and directions contained in their circular. Needless to say, the Government can always adopt, in future, better scientific methods to curb such types of bogus admissions in various aided schools." It is submitted that the Order allows for other means of detection of bogus admissions and can no way be interpreted to mean that Aadhaar is the only way in which it could be achieved. Also, the cited PUCL "Order" is only a

Court's record of the proceedings on the said date noting the recommendations of the Wadhwa Committee Report for incorporating technological advances in the working of PDS, that suggests the option of leveraging Aadhaar in the future. Further, it is worth pointing out that at the time of publication of the Committee's report, the Aadhaar project was itself in its first steps and a number of implications and workings of the project were yet to emerge and therefore cannot be a basis for assuming legitimacy of the project.

42. With regard to paragraph 21-23, I say that the contents thereof are overstated and incorrect claims of the Applicant. I deny that Aadhaar is even an instrument of identity as claimed by the Applicants let alone an instrument of entitlement. It is merely an instrument of identification (I don't think you are allowed to use *italicisation* and such methods of highlighting of words/phrases) for the State.
43. With regard to paragraph 24, I state that the claim made therein that the utility of the scheme would be substantially diluted if alternate modes of identity are allowed to proliferate is incorrect. I say that the same is no ground to seek continuation of the scheme which is manifestly unconstitutional. I say that the Applicant has conveniently not referred to reservations expressed by the Ministry of Home Affairs and the conclusion of the Standing Committee with regard to the draft bill.

44. With regard to paragraph 25 & 26, I say that each enrolment for Aadhaar number is illegal and unconstitutional. I say that severe hardships have already been caused to the citizens/residents of the country whereby basic services have been denied. I say that the assurance purported to be given is illusory. I say that no further enrolments into Aadhaar number ought to be permitted.
45. With regard to paragraph 27-31, I say that the order dated 23-9-2013 has been passed after hearing all parties. I say that the order is amply clear. I say that as elaborated above, comparison to ration card and other proofs is misplaced.
46. With regard to paragraph 32, I say that the stand of the Applicant/Respondents is contradictory. I say that on the one hand the Applicant and Respondents in the captioned writ petition have stated that Aadhaar card is only for marginalised sections. On the other hand, they have permitted decisions to be taken where salaries of individuals, registration of documents etc require obtaining Aadhaar Card. I say that this making Aadhaar ubiquitous is contrary to the stand taken by the Applicant.
47. With regard to paragraph 33-39, I deny the claim that the three distinct methods of verification of individual details for obtaining Aadhaar are robust or effective. I say that the procedure adopted by the Respondent (through private entities) for securing enrolment for Aadhaar number includes a drive for enlisting individuals. The process of enrolment for those persons who do not

have identification documents and who require to be introduced to the system, involves an agent called the "introducer" who vouches for the enrollee. I say that the criteria does not require the "introducer" to know the person he is introducing, thereby compromising the integrity of the entire enrolment process. The Union Home Ministry has expressed serious concern about this loose and unreliable methodology being worked for enrolment. Further, there is little material in the public domain on the extent of the practice i.e. the percentage of people enrolled via the introducer method.

48. With regard to paragraph 40, I repeat that the admissions on the UID Project being experimental demonstrates the irrationality of the Union of India/Applicant in implementing an experimental project by making it mandatory for citizens/residents to participate in it. In fact, the express admission on the defects of this experiment confirms that there is a serious threat posed to the citizens/residents who have already parted with and who are being compelled to part with sensitive personal information. I say that it is completely illegal and arbitrary on the part of a government to conduct studies on citizens/residents without legislative sanction and protection of citizens.

D) BALANCE OF CONVENIENCE AND PRIMA FACIE CASE

49. I say that the Direct Benefit Transfer for Liquefied Petroleum Gas Consumers (DBTL) scheme and other welfare schemes have been linked recently with Aadhaar number. It is also an admitted these

schemes envisage a 'grace period' till which time the old system is continued. Till the disposal of the present writ petition and all connected matters, the schemes can be suitably altered by the Respondents/ the Applicants in the Said I.A's to continue with the old system.

50. Further, I say that there is a clear admission in the Said I.A on the UID Project being an experiment of information technology for the first time and is being launched in phases. I say that a project which has no legislative backing and tramples upon fundamental rights of citizens cannot be permitted to continue indiscriminately merely because it may save money to the public exchequer or may require re-engineering of systems.
51. I say that making Aadhaar card mandatory for basic rights and services without any safeguard poses a dangerous threat to all residents/citizens of the country which may cause irreparable harm to the residents. These writ petitions are filed under Article 32 of the Constitution of India for protection of fundamental rights of citizens. If any clarification is granted by this Hon'ble Court diluting the protection granted by order dated 23-9-2013, it will result in an imprimatur of this Hon'ble Court under Article 32 of the Constitution on enrolments which are deeply flawed and are serious violations of fundamental rights of the citizens.
52. I submit that no prima facie case is made out by the Respondents or the Applicants in the Said I.A. On the contrary, a strong prima

facie case has been made out for violation of fundamental rights of citizens. In fact, order dated 23.09.2013 is widely reported to have come as a relief to lakhs of people who would have otherwise suffered for want of Aadhaar. Annexed hereto and marked as **'ANNEXURE A-28 - (PAGES 173 TO 175)'** is a copy of a media report published in 'The Hindu' that buttresses this point. In such circumstances, the balance of convenience would lie in grant of interim order in terms of prayers made herein.

53. In the above facts and circumstances, I respectfully submit that the Said I.A's be dismissed with costs.


DEPONENT

VERIFICATION:

Verified at New Delhi on this the 28 day of October, 2013, that the contents of paragraphs 1 to 53 of my above affidavit in reply are true and correct to my knowledge, that no part thereof is false and nothing material has been concealed there from.


DEPONENT

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ANNEXURE-A-1

ITEM NO.MM-3

COURT NO.2

SECTION PIL

S U P R E M E C O U R T O F I N D I A
R E C O R D O F P R O C E E D I N G S
W R I T P E T I T I O N (C I V I L) N O (s) . 8 2 9 O F 2 0 1 3

S.G VOMBATKERE & ANR

Petitioner(s)

VERSUS

U.O.I & ORS

Respondent(s)

Date: 19/09/2013 This Petition was mentioned today.

CORAM :

HON'BLE MR. JUSTICE G.S. SINGHVI
HON'BLE MR. JUSTICE V. GOPALA GOWDA
HON'BLE MR. JUSTICE SHIVA KIRTI SINGH

For Petitioner(s) Mr.Shyam Divan, Sr.Adv.(Mentioned by)
Mr.Pratap Venugopal, Adv.

For Respondent(s)

UPON being mentioned the Court made the following
O R D E R

On a mention made by Shri Shyam Divan, learned senior counsel for the petitioners, we direct that this petition be listed along with WP(C)No.494 of 2012, T.P.(C)Nos.47-48 of 2013 and T.P.(C)No.476 of 2013.

(Satish K.Yadav)
Court Master

(Phoolan Wati Arora)
Court Master

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ANNEXURE-A-2

ITEM NO.5+56

Court No.5

SECTION PIL

S U P R E M E C O U R T O F I N D I A

RECORD OF PROCEEDINGS

WRIT PETITION (CIVIL) NO(s). 494 OF 2012

JUSTICE K.S.PUTTASWAMY (RETD) & ANR

Petitioner(s)

VERSUS

UNION OF INDIA & ORS.

Respondent(s)

(With appln(s) for stay)

WITH T.P.(C) NO. 47-48 of 2013

(With appln(s) for stay and office report)

(Appln. for deletion of the name of petitioner no. 1)

T.P.(C) NO. 476 of 2013

(With appln(s) for stay and office report)

W.P.(C) No. 829 of 2013

(With appln(s) for interim relief and office report)

Date: 23/09/2013 These Petitions were called on for hearing today.

CORAM :

HON'BLE DR. JUSTICE B.S. CHAUHAN

HON'BLE MR. JUSTICE S.A. BOBDE

For Petitioner(s)

Mr. Anil B. Divan, Sr. Adv.

Mr. Ankit Goel, Adv.

Mr. Ranvir Singh, Adv.

Mr. Sanjay Yadav, Adv.

Mr. Anish Kumar Gupta, Adv.

Ms. Deepshikha Bharati, Adv.

Mr. S.S. Shamshery, Adv.

Mr. Rajeev Kr. Singh, Adv.

Mr. Nachiketa Joshi, Adv.

Mr. P.R. Kovilan Poongkuntran, Adv.

Mrs. Geetha Kovilan, Adv.

Mr. Shyam Divan, Sr. Adv.

Mr. Pratap Venugopal, Adv.

Ms. Meenakshi Chauhan, Adv.

Mr. Varun Singh, Adv.

Mr. Gaurav Nair, Adv.

for M/s. K.J. John & Co.

For Respondent(s)

Mr. Mohan Parasaran, SG

Mr. L. Nageshwar Rao, ASG

Mr. Farrukh Rasheed, Adv.

Mr. Alok Mishra, Adv.

Mr. D.S. Mahra, Adv

-2-

UPON hearing counsel the Court made the following
O R D E R

Issue notice in W.P.(C) No. 829/2013.

Application for deletion of the name of petitioner no. 1 in T.P.(C) Nos. 47 of 2013 is allowed.

T.P.(C)nos. 47-48 of 2013 and T.P.(C) No. 476 of 2013 are allowed in terms of the signed order.

All the matters require to be heard finally. List all matters for final hearing after the Constitution Bench is over.

In the meanwhile, no person should suffer for not getting the Adhaar card inspite of the fact that some authority had issued a circular making it mandatory and when any person applies to get the Adhaar Card voluntarily, it may be checked whether that person is entitled for it under the law and it should not be given to any illegal immigrant.

(DEEPAK MANSUKHANI)

Court Master

(M.S. NEGI)

Court Master

(Signed order is placed on the file)

IN THE SUPREME COURT OF INDIA
CIVIL ORIGINAL JURISDICTION

TRANSFER PETITION (CIVIL) NO(s). 47-48 OF 2013

THE GOVT. OF INDIA & ORS. ETC.

....Petitioner(s)

VERSUS

S. RAJU & ANR. ETC.

....Respondent(s)

WITH

TRANSFER PETITION(CIVIL) NO(s). 476 OF 2013

O R D E R

Heard learned counsel for the parties.

Having regard to the facts and circumstances of the case, we are satisfied that this is a fit case where the prayer for transfer is to be allowed.

On the facts of the case, we allow these Transfer Petitions and direct that W.P(C) No. 439 of 2012 titled S. Raju Vs. Govt. of India and Others pending before the D.B. of the High Court of Judicature at Madras and PIL No. 10 of 2012 titled Vickram Crishna and Others Vs. UIDAI and Others pending before the High Court of Judicature at Bombay be transferred to this Court. The Registry of the High Court of Madras and Registry of the High Court of Bombay are requested to transmit the original records to this Court expeditiously.

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These Transfer Petitions are accordingly
allowed.

.....J.
(Dr. B.S. CHAUHAN)

.....J.
(S.A. BOBDE)

NEW DELHI;
SEPTEMBER 23, 2013.

ITEM NO.43

COURT NO.5

SECTION PIL

S U P R E M E C O U R T O F I N D I A
RECORD OF PROCEEDINGS
IA 3-4/2013

in
WRIT PETITION (CIVIL) NO.494 OF 2012

JUSTICE K.S.PUTTASWAMY (RETD) & ANR

Petitioner(s)

VERSUS

UNION OF INDIA & ORS.

Respondent(s)

(With appln(s) for clarification/modification of court's order and office report)

WITH

W.P.(C)NO.833/2013

(With appln.(s) for directions and office report)

Date: 08/10/2013 These Petitions were called on for hearing today.

CORAM :

HON'BLE DR. JUSTICE B.S. CHAUHAN

HON'BLE MR. JUSTICE S.A. BOBDE

For Petitioner(s)

Mr. Anil B.Divan, Sr. Adv.
Mr. Shyam Divan, Sr. Adv.
Mr. Ankit Goel, Adv.
Mr. Ranvir Singh, Adv.
Mr. Sanjay Yadav, Adv.
Ms. Deepshikha, Adv.
Mr. Nachiketa Joshi, Adv.
Mr. Paqttabhi Ram, Adv.
Mr. Nishant Katneshwar, Adv.
Mr. S.S. Shamshery, Adv.
Mr. Sanjay Yadav, Adv.
Mr. Anish Kumar Gupta, Adv.

Mr. P.S. Narashiman, Sr. Adv.
Mrs. V. Mohana, Adv.
Mr. B. Ragunath, Adv.
Mr. Vijay Kumar, Adv.
M/S. K.J. John & Co.

For Respondent(s)

Mr. G.E. Vahanvati, A.G.
Mr. Mohan Parasaran, S.G.
Mr. Alok Kumar, Adv.
Mr. Alok Prasanna, Adv.
Mr. Anupam Prasad, Adv.
Ms. Tara Narula, Adv.
Mr. D.S. Mahra, Adv.

(for Intervenors)

Mr. L. Nageshwar Rao, ASG

Mr. Amit Meharia, Adv.

Ms. Khushbu Jain, Adv.

Ms. Sophia Mustafa, Adv.

For M/s. Meharia & Company

UPON hearing counsel the Court made the following
O R D E R

Issue notice in I.A.Nos.2,3,4,5 & 6/2013.

Issue notice in W.P.(C)No.833/2013. Ms.
D.S. Mahra, learned counsel accepts notice on
behalf of the Union of India.

List the matters for final hearing on 22nd
October, 2013 as Item No.2 with all connected
matters.

In the meanwhile, the reply to the IAs
may be filed by the learned counsel for the
petitioner in W.P.(C)No.494/2012.

(O.P. Sharma)
Court Master

(M.S. Negi)
Court Master

THE HINDU

News » National

Published: August 23, 2013 16:36 IST | Updated: August 23, 2013 16:40 IST

Aadhaar not mandatory for availing of subsidies: Govt

PTI



Though the Union government says Aadhaar is not mandatory states like Andhra Pradesh and Kerala have already asked customers to submit their Aadhaar number to avail subsidies Photo: Mohammed Yousuf *The Hindu*

Aadhaar card is not mandatory to avail of subsidies under government schemes including on domestic cooking gas, the government on Friday said in the Rajya Sabha.

"Aadhaar card is not mandatory for availing subsidies. If any public sector undertaking is doing it, we will correct it," Minister of State for Parliamentary Affairs Rajeev Shukla said.

He was responding to members' concerns that despite giving an assurance that the card was not a must for availing of services like opening bank accounts, admission in school and obtaining passport, some public sector undertakings were forcing the people to do so.

Raising the issue during Zero Hour, MP Achuthan (CPI-M) said that in Kerala public sector oil companies had made it mandatory for people to get Aadhaar-linked bank accounts for getting subsidy on LPG.

Mr. Achuthan questioned that when the government had already made it clear that the card was not mandatory for availing subsidies, "who gave power to public sector oil companies to ask for Aadhaar-linked bank accounts" for providing subsidies.

He lamented that there are thousands of people who could not get the card despite registration.

Several members from CPI, CPI(M), BJP and other parties associated themselves with the demand that non-availability of Aadhaar numbers should not be made an excuse to deny subsidy and benefits to people under various schemes.

Keywords: Aadhaar, UIDAI, biometric identification, direct benefit transfer, cooking gas subsidy, Rajeev Shukla, DBT, Nandan Nilekani, monsoon session, parliamentary proceedings

Printable version | Oct 19, 2013 1:51:40 AM | <http://www.thehindu.com/news/national/aadhaar-not-mandatory-for-availing-of-subsidies-govt/article5052354.ece>

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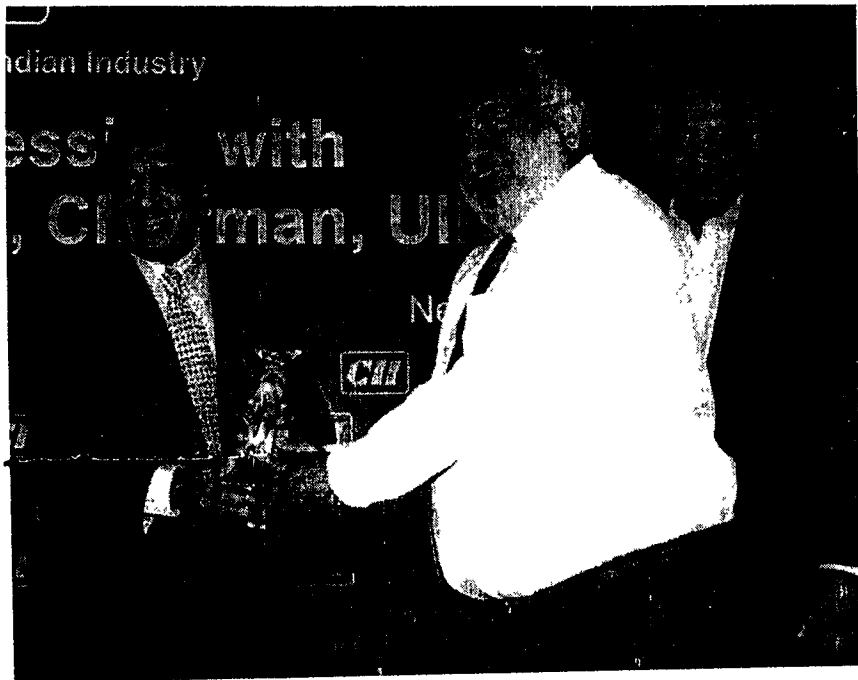
THE HINDU

News » National

Published: May 12, 2010 01:45 IST | Updated: February 3, 2012 12:34 IST

AADHAR not mandatory, says Nilekani

K. Balchand



Unique Identification Authority of India chairman Nandan Nilekani presents the CII President's Award to C R Swaminathan, chief executive, PSG Institutions, in New Delhi on Tuesday. Venu Srinivasan, CII president (right), and Hari Bhartia, CII president-designate, look on. Photo: V.V. Krishnan

Unique Identification Authority of India Chairman Nandan Nilekani on Tuesday ruled out making AADHAR, the unique identity number of each individual, mandatory for all citizens, and said it would be optional.

During an interactive session at the Confederation of Indian Industry here, Mr. Nilekani pointed out the difficulties that would crop up if the number was made mandatory by service deliverers. If one did not have the number, one would be excluded from the benefit of that particular programme.

While stating that AADHAR would remain optional, Mr. Nilekani was confident that the number would have its relevance. He was in talks with the Reserve Bank of India to have the number accepted as proof of identity for opening bank accounts.

The proposed law seeking to grant statutory status to the UIDAI would seek to put in place a frame work to protect the data across the country from being misused, Mr. Nilekani said. He underlined the need for checks and balances to protect the data from both private and government users.

Replying to a question, he said the mandate was to issue the number only to citizens and not to outsiders, almost ruling out the possibility of entertaining the claims of NRIs. "Only if they have stayed for a requisite time period in India, can they can be given one."

Asked whether the National Population Register too going in for biometric and iris image would not be an exercise in duplication, Mr. Nilekani said both this agency and the UIDAI were working together and would hold further discussions to seek help.

CII president Venu Srinivasan was in the chair.

Clarification

The caption of the photograph that went with the above had a detail of the CII President's Award being given to C.R. Swaminathan, chief executive, PSG Institutions. It led to a query as the text did not mention this.

At that function, Mr. Nilekani had also presented the CII President's awards to Mr. U.K. Sinha, Chairman – CII National Committee on Mutual Funds and CMD, UTI AMC; Mr. R.S. Sharma, Chairman – CII Public Sector Enterprises Council, and CMD, ONGC; Mr. P.S. Bhattacharya, Chairman – CII Sub Committee on Sustainable Development and CMD, Coal India Ltd; Mr. Harpal Singh, Immediate Past Chairman – CII Northern Region and Mentor and Chairman Emeritus, Fortis Healthcare Limited; Dr. Naushad Forbes, Immediate Past Chairman – CII

Western Region and Director, Forbes Marshall Pvt Ltd. and Mr. Mukul Somany, Immediate Past Chairman – CII Eastern Region and Joint Managing Director, Hindustan National Glass and Industries Limited. Mr. C.R. Swaminathan is also Immediate Past Chairman – CII Southern Region and Chief Executive, PSG Institutions.

The CII President's Awards are an annual feature and presented to individuals "making an outstanding contribution to the Confederation of Indian Industry (CII)".

The brand name of the Unique Identification number (UID) has now been changed to AADHAAR, and not AADHAR as mentioned in the heading and text of the report. AADHAAR, which translates into "foundation", or "support", is a word present across most Indian languages and is to be used in the branding and communication of the Unique Identification Authority of India (UIDAI) programme across the country. The design, which has been selected as the logo for AADHAAR, is a sun in red and yellow, with a fingerprint traced across its centre.

Keywords: Unique Identification Authority of India, unique identity number, Nandan Nilekani

Printable version | Oct 19, 2013 1:54:52 AM | <http://www.thehindu.com/news/national/aadhar-not-mandatory-says-nilekani/article427629.ece>

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8/31/13

Coriander s/o Pulao, Aadhaar No 499118665246 - India - DNA

india.com

dna



get it
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Cool line of apparels for all the
hotties in town!

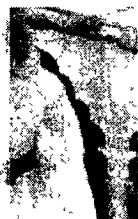


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he escapes unhurt



Home > India > Report

Coriander s/o Pulao, Aadhaar No
499118665246



Manan Kumar

Buy

home minister asks UIDAI to get a security audit done after reports of aadhaar no
given to non-entities.

Coriander and an apple, as per the Unique Identification Authority of India (UIDAI), are
residents of India as they have been given an Aadhaar number. And this, perhaps, has been
the last straw.



The ministry had told UIDAI last month. It shot a reminder last week after seeing some more
bizarre reports. If UIDAI doesn't reply, the ministry may have to seek Intelligence Bureau's
(IB) help for the audit, sources told DNA.

8/31/13

Coriander s/o Pulao, Aadhaar No 499118665246 - India - DNA

According to a report, an Aadhaar card with the number 4991 1866 5246 was issued in the name of Mr Kothimeer (coriander), son of Mr Palavu (pulao), resident of Mamidikaya Vuru (raw mango village) of Jambuladinne in Anantapur district of Andhra Pradesh. The card had the photo of a mobile phone instead of a person.

The ministry is in possession of about a dozen more such astonishing examples where a number has been given to non-entities.

"As the Aadhaar and NPR database are complementary to each other and are being used to enhance security and strategic processes, the ministry has the right to seek a security audit of any of its process," a ministry official said.

Overruling Chidambaram's objections on UIDAI's security, the Union cabinet on January 27 had come out with a compromise formula and given a go-ahead to the UIDAI to expand its project to 600 million people.

It was agreed that both projects will continue simultaneously and each would use the biometric data collected by the other. In case of any discrepancies, the NPR data would prevail as it is collected by government officials who are accountable.

In the same cabinet meeting, Nandan Nilekani had said, "We will review the security concerns in six to eight weeks and begin data collection from April."

"In spite of all its assurances, the UIDAI is yet to get back to us and apprise us of the changes. We have no clue what are they up to," said the official.

PREVIOUS

CBI to probe how 23
kids got HIV

NEXT

Day after Pakistan's volte-face, India
makes fresh appeal

**Affidavit from Reetika Khera (Assistant Professor, Economics,
Indian Institute of Technology)**

I, Reetika Khera, aged about 40 years, residing at L7 Green Park Main, New Delhi, do hereby solemnly affirm and state as follows:-

1. I am a citizen of India and I am conversant with issues of public interest raised in Writ Petition (c) No. 829 of 2013. I say that I am competent to swear this affidavit.
2. I teach economics at the Indian Institute of Technology, Delhi. My area of specialization is development economics with a special focus on social security. Much of my research has been on the Government of India's Mahatma Gandhi National Rural Employment Guarantee Act 2005 (NREGA) and the food schemes included in the National Food Security Act 2013. Most of my research is based on doing substantial field based research in rural India. Annexed hereto is my CV.
3. I am filing this limited affidavit only to record certain important facts in relation to the UID Project.
4. I say that the Government of Delhi made it compulsory to give my UID or my registration receipt for the National Population Register (NPR) for availing services of the Revenue Department. I say that (a) as I had urgent time-bound pending work in Mehrauli, and (b) as I had my PAN card number, passport and other valid forms of government ID, and (c) because I had no need for an aadhaar number, and (d) I did not wish to get an Aadhaar number, Since

enrolling in NPR is compulsory as per the Citizenship Rules, I decided to enrol with the NPR on or about 2 January, 2013 . At the NPR office, I requested that I not be asked for my finger prints and iris scan, but gave permission for my photograph to be taken. But I was told that I had no option but to give all three biometrics – finger prints, iris scan and photograph. I say that I was issued an Aadhaar number approximately two months later even though I did not wish to get it, but had to enrol in NPR (which uses the UIDAI software) in order to proceed with our work with the Revenue department of the Government of Delhi..

5. I began taking an interest in the UID programme when the Government of India claimed that integrating Aadhaar with NREGA and the PDS will enable better implementation of these programmes. Upon reading their documents on these issues, I realized that their claims were overstated and in this regard I have written two articles– “Not all that Unique” (Hindustan Times) and another academic article in the Economic and Political weekly (both are annexed).
6. I (along with other volunteers) have been monitoring various aspects of the UID in different parts of the country. I say that it necessary to bring on record critical facts in relation to the manner in which the UID Project is being implemented.
7. In the East Godvari pilot – one of the most popular pilots of integrating UID with the PDS – I, various implementation issues have been noticed. These include serious defects as herein below:

8. Before a person authenticates his/her fingerprint in e-POS (electronic-Point of Sale) machine, he/she has no option but to provide consent to his/her biometrics being used for authentication purposes, for drawing rations. This message appears on the screen of the e-POS in *English* in a Telugu speaking state. It is unlikely that many ration card holders understand what they are consenting to.
9. UID numbers in the system do not match the UID number given on the card sent to an individual. There are instances of mismatch of fingerprints, connectivity issues, etc.
10. At an enrolment camp that I visited in Ratu Block in 2010, I noticed that on the enrolment form, the consent box was being checked without asking or explaining to people what it meant. There were other glitches too – e.g., year and date of birth was being arrived at by guessing. This has implications for those schemes where age is an eligibility parameter (e.g., scholarships and pensions). In other pilots such as the one in Ratu (Ranchi district, Jharkhand) where it was attempted to integrate UID with NREGA, payments through this new process are irregular. (Article published in The Hindu with Bharat Bhatti and Jean Drèze is annexed.)
11. I say that the instances described above are recorded by photographs and videos and if permitted by this Hon'ble Court, the same can be brought on record.

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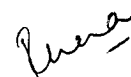
12. In such circumstances, it is extremely necessary that I be permitted to opt out of the Aadhaar enrolment number allotted to me. I say that all information collected from me ought to be destroyed. I say that it imperative that an 'opt out' option be made available to all citizens who have enrolled for the Aadhaar number.



DEPONENT

VERIFICATION:

Verified at New Delhi on this the 26 day of October, 2013, that the contents of paragraphs 1 to 12 of my above affidavit in reply are true and correct to my knowledge, that no part thereof is false and nothing material has been concealed there from.



DEPONENT

Affidavit from Sahana Manjesh (Advocate practising in New Delhi)

I, Sahana Manjesh, aged about 23 years, having my address at 64, Ground Floor, Bhagwan Nagar, New Delhi - 14, do hereby solemnly affirm and state as follows:-

1. I am a citizen of India .
2. I am conversant with issues of public interest raised in Writ Petition (c) No. 829 of 2013.
3. I am competent to swear this affidavit.
I am a practising Advocate.
4. The date of my enrolment with Bar Council of Delhi is 07/10/2013.
5. I say that I enrolled for Aadhaar in September 2013.
6. I say that my enrollment happened in Mysore, Karnataka.
7. I say that the Aadhaar number that is issued to me is 4815 6047 7883.
8. I state that after enrolment I have learnt that the Aadhaar number has various risks involved with respect to data protection.
9. I state that I have also learnt of the possible defects in biometrics technology used by Aadhaar.
10. I state that if I was provided the knowledge of risks involved with regard to the enrolment for Aadhaar number, I would not have given my consent for enrolment.

11. In such circumstances, it is extremely necessary that I be permitted to opt out of the Aadhaar enrolment number allotted to me. I say that all information collected from me ought to be destroyed. I say that it imperative that an 'opt out' option be made available to all citizens who have enrolled for the Aadhaar number.

**DEPONENT****VERIFICATION:**

Verified at New Delhi on this the 26 day of October, 2013, that the contents of paragraphs 1 to 12 of my above affidavit in reply are true and correct to my knowledge, that no part thereof is false and nothing material has been concealed there from.

**DEPONENT**

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ANNEXURE-A-8

http://www.moneylife.in/article/print_edition.php?id=34**moneylife**
know what's coming BETA

Aadhaar de-duplication myth busted. Any answers, Mr Nilekani?

MONEYLIFE DIGITAL TEAM | 15/10/2013 05 52 PM

One person from Kerala enrolled and successfully received two Aadhaar numbers. This raises serious question over the de-duplication theory and practices of UIDAI

Aadhaar or the unique identification (UID) number is being enforced by the governments and the de-facto tagging institution, the Unique Identification Authority of India (UIDAI) by claiming uniqueness of the number. However, one person from Kerala has busted the myth created by UIDAI and its chairman Nandan Nilekani.

According to a report in Matrubhoomi, a Kerala-based newspaper, PV Narayanan, a resident of Panatthadi *panchayat* received *two* Aadhaar numbers: 548780623023 and 356459270677. The names on both these letters issued by UIDAI are same, with slight different photos. Narayanan probably may have registered at two places or centres. But, surprisingly, his fingerprints seem to have passed the so-called 'robust' de-duplication test of UIDAI. Since Aadhaar includes an iris scan, this too seems to have been missed.

As *Moneylife* has pointed out, both the union government and UIDAI were in such a hurry that they neglected the basic principle of pilot testing and size of sample. For over 1.2 billion UID numbers, they have used data from just 20,000 people, in pairs, as the sample and on the basis of the results, gone ahead with

the UID number through the 'Aadhaar' project. (How UIDAI goofed up pilot test results to press forward with UID scheme)

The case of Narayanan also mocks the false positive identification rate (FIPR) theory of UIDAI. Earlier, speaking about the FIPR, the UIDAI had said, "We will look at the point where the FIPR (i.e. the possibility that a person is mistaken to be a different person) is 0.0025%". This means, for every 1 lakh comparisons, there would be two and a half false positives. On a large scale, it means for a population of over 120 crore, there would be 18 lakh crore false positives, or, for every single Indian resident there would be 15,000 false positives! (Click to see the calculations)

The International Biometric Group (IBG) testing also shows that performance can vary drastically within technologies-some fingerprint solutions, for example, had next to no errors during testing, while others rejected nearly 1/3rd of enrolled users. "Most interestingly, the testing shows that over time, many biometric systems are prone to incorrectly rejecting a substantial percentage of users. Verifying a user immediately after enrolment is not highly challenging to biometric systems. However, after six weeks, testing shows that some systems' error rates increase ten-fold," said the research, consulting and integration firm, which works closely with the biometric industry. The report is titled "Real-World Performance Testing".

Maybe the UIDAI and its registrar have thought the second enrolment of Narayanan from Kerala as false positive and issued another Aadhaar number. Hope the UIDAI chairman would be able to find out 'original and true' Narayanan from these two biometric-based Aadhaar numbers!

Chetan Chauhan, Hindustan Times

New Delhi, December 25, 2012

First Published: 19:26 IST(25/12/2012)

Last Updated: 02:26 IST(26/12/2012)

Print

UIDAI cancels 3.84 lakh fake Aadhaar numbers

Some have managed to beat the so-called unbeatable Unique Identification (UID) system and got fake Aadhaar numbers generated raising security concerns over UPA's new UID based governance model.

Nandan Nilekani led Unique Identification Authority of India (UIDAI) has cancelled 3.84 lakh Aadhaar numbers of the total 4.10 lakh generated under the biometric exception clause.

The Aadhaar agencies are allowed to enroll people without proper finger-prints or iris under the biometric exception clause.

In this, the agencies are required to provide photographs of the non-existent biometrics along with demographic details of the enrollers.

The biometric exception was incorporated to make Aadhaar truly inclusive identification generation process as there was highly level of exclusion in other systems such as ration cards.

But, the agencies exploited the clause to make some pass money as for each successful enrollment and generation of Aadhaar number, the agency got ₹ 50.

It was business as usual for UIDAI till a large number of Aadhaar letters in Andhra Pradesh remained undelivered.

"Most of the 45,000 undelivered Aadhaar letters in Andhra were under the exception clause. It hinted that something was wrong," a senior UIDAI official said. Further scrutiny revealed that of 48.80 lakh Aadhaar generated in Andhra, 2.30 lakh were false and were subsequently cancelled.

With the lid blown off, similar instance cropped in other states.

A Delhi government official said, who reported around 13,000 fraudulent enrollments to UIDAI, said the biometric exception was introduced for people with high level of disabilities but it was frequently used raising a question over credibility of Aadhaar numbers.

HOLES IN THE SYSTEM

■ As per target, the entire country is likely to be covered by April 2014.

HT

Number of Aadhaar cancelled in some states

Andhra Pradesh	2.30 lakh
Maharashtra	39,479
Jharkhand	33,107
Tamil Nadu	19,481
Odisha	18,269
Delhi	13,845
Uttar Pradesh	7,976

2.29 cr

Total Aadhaar generated so far

The UIDAI admitted of similar high number of fake Aadhaar numbers from Jharkhand, Maharashtra, Tamil Nadu, Tripura and Uttar Pradesh in a reply to Lok Sabha.

The authority also found of the total Aadhaar generated under this clause, only 22,195 were found to be genuine. Another 6,600 Aadhaar numbers are under investigation.

For enrollment of around 90 crore residents in subsequent phases, the UIDAI has asked agencies not to opt for biometric exception without approval from a senior, preferably a government official.

The UPA government has decided to use Aadhaar payment platform for delivery of its welfare schemes once the enrollment is complete likely by April 2014.

<http://www.hindustantimes.com/StoryPage/Print/980634.aspx>

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ANNEXURE-A-10

GOVERNMENT OF NCT OF DELHI
REVENUE DEPARTMENT
5, SHAM NATH MARG DELHI-110054.

No. F.10(6)/CCS/DivCom/Hqrs/ 5130 - 5131

Dated: 20.12.2012

ORDER

It has been decided to use the Aadhaar platform for the delivery of various services rendered by the Revenue Department. Hence, it is considered necessary that the Aadhaar information of the applicants seeking the various services from the Revenue Department is to be compulsorily given at the time of applying for the service.

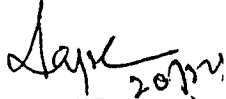
It is henceforth ordered that AADHAAR No. of the applicant, will be required to be mentioned compulsorily at the time of applying various services as mentioned below. The Aadhaar Card information of the applicants should be mentioned in the prescribed Application Forms.

1. Registration of Marriages under Hindu Marriage Act.
2. Registration of Marriages under Special Marriage Act.
3. Solemnization of Marriages.
4. Registration of various documents in the Sub Registrar Offices.

Specimen of the modified Application forms of the above services are available on the website of Revenue Department (<http://revenue.delhi.gov.in>). The guidelines on "How to Integrate the Aadhaar for the various services rendered by Revenue Department, GNCTD" are also available at this link and are enclosed with this order

All the Deputy Commissioners are directed to ensure that this order is prominently displayed in the Notice Boards of the respective districts. General public may also be informed through permanent display of these conditions in the Notice Boards of the Revenue Department/District and also in the offices of Sub Registrar Offices. This order will come into effect from January 1, 2013.

This issues with the prior approval of the Secretary (Revenue).


(Rajiv Kumar)
SDM (HQ)

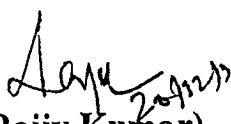
No. F.10(6)/CCS/DivCom/Hqrs/
Copy to:-

Dated:

1. All Deputy Commissioners, Delhi
2. All ADMs, Delhi

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3. All SDMs, Delhi
4. All Tehsildars, Delhi
5. All Sub Registrars, Delhi
6. All SDMs (Hqrs)
7. SIO, Delhi State NIC HQ, Delhi Sectt, IP Estate, Delhi.
8. System Analyst to upload the order on the department's website
9. OSD to the Chief Secretary
10. PS to Secretary (Revenue)
11. PA to Special Secretary (Revenue)


(Rajiv Kumar)
SDM (HQ)

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GOVERNMENT OF NCT OF DELHI
REVENUE DEPARTMENT
5, SHAM NATH MARG DELHI-110054.

No. F.10(6)/CCS/DivCom/Hqrs/ 5130-5131

Dated: 20.12.2012

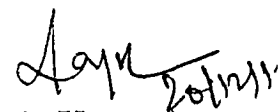
GUIDELINES / STEPS ON
HOW TO INTEGRATE THE AADHAAR NUMBER FOR VARIOUS SERVICES
RENDERED BY REVENUE DEPARTMENT

These guidelines are applicable for the following services.

- Issue of certificates for SC/ST, OBC, Income, Domicile, Surviving Member, Solvency and Nationality.
- Issue of delayed Birth and Death orders.
- Registration of Marriages under Hindu and Special Marriage Act.
- Solemnization of Marriages.
- Registration of various documents, deeds etc. at Sub Registrar Offices.

Guidelines / Steps

1. The applicant will submit the application form along with the supporting documents and also a copy of Aadhaar Card.
2. The application will only be accepted if the applicant's name, photo and address on Aadhaar Number matched with the details on the application form.
3. If Aadhaar No. has not yet been received, the applicant may provide the Aadhaar Enrolment No. details and any other identity proof (PAN/ Voter's Card / Passport / Driving License / Office ID Card).
4. The photograph of the applicant will be taken by the concerned office.


(Rajiv Kumar)
SDM (HQ)

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ANNEXURE-A-II

[Translation of a xerox copy of a Resolution in Marathi.]

(Emblem)
Pay & Accounts
Office, Government
of Maharashtra

Regarding making Aadhaar (Card) Number Compulsory to the
Government Employees for pay.

Government of Maharashtra
Finance Department,
Government Resolution Number: Miscellaneous 1007/
M.No. 112/part 3/Trea.C 5
Mantralaya, Mumbai – 400 032
Date: 3 June, 2013.

Read:-

- (1) Government Resolution Number: Miscellaneous 1007/M.No. 112/Part 3/Trea.
C5, Dated 20 April, 2013.

Government Resolution:

While submitting Pay Bills by SEVARTH system in the districts viz. Pune, Nandurbar, Wardha, Amravati, Mumbai City and Mumbai Suburban, it is necessary to register (enter) Aadhaar Card Number of all the Government employees in the SEVARTH System. Unless Aadhaar number is registered (entered) in the aforesaid six districts, payment of Pay Bills for May, 2013 will not be made in the aforesaid six districts, such orders have been issued by the aforesaid Government Resolution under reference. However, considering the difficulties in the registration (enrollment) of Aadhaar Card, one month's extension is granted to the said Government Resolution. Moreover, for the pay of the month of June, 2013 payable in July, 2013 and for the pay of July, 2013 payable in August, 2013 Aadhaar number or Aadhaar Card registration Number (EID or UID) of the employee should be entered in the SEVARTH System and the pay should be paid. For the period thereafter, Aadhaar number shall be compulsory for pay.

The said Government Resolution has been made available on the website of the Government of Maharashtra viz. www.maharashtra.gov.in and its code number is 201306041443518305. This order is issued by attesting the same with the digital signature.

By order and in the name of the Governor of Maharashtra.

Anant Digitally signed by
Mahadev Anand Mahadev
Jadhav Jadhav.

A. M. Jadhav
(Desk Officer)

Printed From



AADHAAR CARD MANDATORY FOR LAND REGISTRATION

Wednesday, 22 May 2013 | PNS | Ranchi

Rate : 0/5

Like : 0

The State Government on Tuesday decided to make the Aadhaar number mandatory for sale and purchase of land in order to maintain transparency in the land deals.

Chief Secretary RS Sharma, who earlier served as Director General of Unique Identification Authority of India (UIDAI), said that the new directive will be effective from January 1, 2014.

Sharma has directed the Registration department to ensure that Aadhaar card should be necessary as a proof of identity. "The land deals would continue to be registered on the basis of witnesses' signature and other documents, but from January 1 onwards the Aadhaar card would be mandatory," he further added.

The Chief Secretary said that besides the sellers and purchasers of land, witnesses will also be required to produce Aadhaar card as a proof of their identity.

"There are several instances under the existing system where one property has been registered twice on the basis of witnesses and other documents," he pointed out.

He said that Aadhaar card based land transactions will prevent duplicity and also establish the identity of sellers and purchasers.

Incidentally, the State Government, last year had decided to make UID number mandatory for payment of salary and pension to state employees in order to give the necessary impetus to the enrolment process.

However, the decision was yet to be implemented.

Notably, Jharkhand has done very well and so far it has enrolled about two crore people for the unique numbers.

UIDAI chief Nandan Nilekani, during his visit in April last, had expected that the rest of its 1.29 crore people will all be enrolled by August-September.

Jharkhand has been ahead of its neighbouring States in terms of enrolment figures.

Besides, in October last year, Ramgarh was awarded with the National Aadhaar Governance Award, instituted by UIDAI, for emerging as India's best district in terms of taking Aadhaar-enabled services to the ordinary man.

The total number of enrolment centres functioning across the country is 30,000, whereas in Jharkhand the figure is 353. The State's centres collectively enrol more than 73,000 residents a day.

9/25/13

State makes UID must for govt scheme entitlements



Login | Register



Wednesday 25 September 2013
News updated at 6 26 PM IST

Weather
Max 28.3°C
Min 15.2°C

In Bangalore
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State makes UID must for govt scheme entitlements

Nandini Chandrashekar, Bangalore, June 9, DHNS

Not revealing info can lead to temporary suspension of services

Privacy concerns abound about each citizen of this country being issued an identity number, but the State government is firmly going ahead with its plans to include every citizen in the Unique Identification plan.

Recently, the State government issued an order making it mandatory for people availing of benefits from seven government schemes offered by six departments to furnish all information while enrolling for UID or Aadhaar project. If information is not revealed, the services could be suspended temporarily.

The Karnataka Resident Data Hub project envisages integrating UID numbers to the various subsidy-linked services offered by the government. Linking this would help them prevent pilferage and leakage of services and also eliminate duplicate and ghost entries.

Towards this purpose, the government has decided to make seven major services 'Aadhaar enabled'. These are social security pensions, IP pumpsets, membership of Milk Co-operative Federations, Bhagyalakshmi scheme, LPG connection, ration card and Mahatma Gandhi National Rural Employment Scheme (MGNREGS).

So, apart from providing basic demographic and biometric details, entitlements of these programmes will be required to reveal social security sanction order number and money order number, ration card number, MGNREGS number, bond number in Bhagyalakshmi scheme, IP pumpset details, passbook number in Milk Co-op Society and customer card number for LPG connections. This will be under the Know Your Resident aspect of Aadhaar implemented through the Centre for e-governance. The order makes it clear that not revealing this information can lead to

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"It is implied in the order," declared an senior official confirming the worst fears of many anti-UID advocates that it will be made mandatory.

The government is also offering a carrot by paying an incentive of Rs 100 per head to BPL category entitlements under social security schemes and MGNREGS if they offer relevant documents.

According to the latest statistics, 4.5 million people have enrolled in Tumkur and Mysore and enrolment in other parts of the state will begin on June 27 in Gulbarga and Dharwad.

The enrolment for the entire State is expected to be completed by 31 March 2012.

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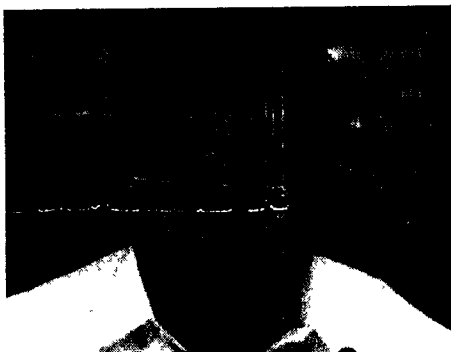
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Business Standard

Loti Mukul | New Delhi May 15, 2013 Last Updated at 21:04 IST

Aadhar compliance made mandatory for LPG subsidy

Three months window for 20 districts from June 1



Moily Veerappa M, Petroleum Minister

Domestic LPG consumers in 20 districts would now have to get the aadhar number and seed it with their bank accounts to avail of subsidy on nine cylinders.

This exercise would have to be completed in three months starting June 1 after which they would lose their entitlement for subsidy.

The mandatory requirement of aadhar number and its seeding is part of the Direct Benefit Transfer (DBT) scheme for LPG customers announced today.

Addressing a press conference, Petroleum minister M Veerappa Moily said, "Reciprocal initiative has to be taken by consumers."

He said all LPG consumers would get an advance in their bank account as soon as they book the first subsidize cylinder even before delivery. This is to reduce their financial burden when they purchase the first LPG cylinder at market rate after launch of the scheme."

As soon as, the first cylinder is delivered to such consumers, subsidy eligible on date of delivery will again get credited in the bank account, which will then be available for the purchase of the next cylinder at the market rate.

The launch of DBT in LPG is the biggest programme under the government policy of direct credit of subsidy. There are 14 crore LPG consumers in the country which comprises 60% of the population. "So, the first step is a small one," said Vivek Rae, secretary, ministry of petroleum and natural gas.

On the question of why Aadhar has become compulsory, Rae said it was needed to credit LPG subsidy into bank accounts.

"If you want LPG subsidy then aadhar is compulsory." After the grace period of three months, as soon as a consumer links the Aadhar number to bank account and in LPG database, one-time advance and subsidy transfer will re-commence as per the balance entitlement.

There is 89% Aadhar penetration in these districts with 52% seeding with LPG data base of some 75 lakh consumers in the 20 districts. Seeding with bank account is 15%. The 20 districts include five in Andhra Pradesh, four in Himachal Pradesh, two each in Karnataka, Kerala and Madhya Pradesh, one each in Dam

and Diu, Goa, Maharashtra, Pondicheery and Punjab.

An assessment would be done after a month. "We will review the scheme and then extend to other districts," he said. Once implemented, the government will transfer close to Rs 4,000 to every household annually to enable people to buy nine cylinders of LPG at the current market price.

Currently, state-owned oil firms sell domestic cooking gas at a highly subsidised rate of Rs 410.50 per 14.2-kg cylinder. Consumers are entitled to get nine cylinder of 14.2-kg each at the subsidised rate in a year. Each consumer will get a little less than Rs 4,000 annually but will have to buy LPG at market price.

One fourth of LPG subsidy would be released by the ministry of finance every quarter to oil marketing companies who will be responsible for crediting it into the account of LPG consumers.

What consumers need to know?

- * Get an Aadhaar number if they don't have one at Aadhaar enrollment centers
- * Open a bank account with Aadhaar number if they do not have one by going to a bank branch with Aadhaar number

OR

- * If they already a bank account then link their Aadhaar number with their bank account by visiting their branch or through a request form available with LPG distributors and deposit it in the drop boxes placed at LPG distributors premises
- * Provide Aadhaar numbers to LPG distributors for linking with LPG consumer number





AADHAAR

DBT (AEPS) for Department of Rural Development Strategy paper

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ANNEXURE - A-15

Aapka Paisa AapkeHaath

Ministry of Rural Development will move to Aadhaar Enabled Payment System (AEPS) for all wage payments in MGNREGS and NSAP pensions; and will operate through Aadhaar Payment Bridge System (APBS) for all material payments in MGNREGS.

This mandates that:

- a) Every beneficiary should have an electronic Bank or Postal account.
- b) Every beneficiary must have Aadhaar number.
- c) All wage lists/payments shall be electronic payments.
- d) Disbursements are made at the GP level only by the Business Correspondent or Postal dept. after biometric authentication.
- e) Every transaction shall generate a near real time Electronic record.

The following Strategy may be followed for this purpose:

1. **Opening of Bank accounts:** Accounts may be opened in a bank enabled with Every wage seeker must have a **Bank/Postal account** which shall be verified/confirmed. So far, we have only 9.5 Cr accounts for the 16 Cr active wage seekers.
2. **Targeted Aadhaar enumeration:** Even where the enrolment is more than 90%, most of the people left out are the wage seekers. It is therefore proposed that the following strategy may be followed:
 - a. MoRD is already a Registrar under UID. All State RD departments would similarly be registered as Registrars under UID. For the States which are under NPR, there will be a special request to Registrar General of India for permitting this targeted enrolment.
 - b. State RD departments will enlist private service providers for each District using the protocol already developed by UIDAI.
 - c. The enrolment agency will be allotted work by the DPCs in such a way that there are at least 3 enrolment kits per Block (or 10,000 job cards per kit).
 - d. The enrolment teams will move village to village as per the programme given by the DPC/PO for enrolment of all the MGNREGS and NSAP beneficiaries; and will leave after enrolling every person in the list. Mobilisation will be the responsibility of the RD department.



AADHAAR

**DBT (AEPS) for Department of Rural Development
Strategy paper**



- e. UID agreed to pre-load the list of the MGNREGS and NSAP beneficiaries in the database of the enrolment agencies, so that there won't be any need for seeding the UID number at a later date.

3. **Seeding of Aadhaar numbers** into NREGASoft: So far, we have Aadhaar numbers for about 32.48 lakh (out of 16 Crore) active accounts. All these numbers are to be authenticated; and balance UID numbers are to be seeded. For this the following strategy may be followed:

- a. Authentication: NIC will enlist the services of CDAC, Ministry of IT which is an AUA for authentication. All seeding done each day will be shared with CDAC for authentication. Orders will be issued by MoRD.
- b. For the balance wage seekers, who have Aadhaar numbers which are yet to be seeded, the Gram RozgarSahayaksgo house-to-house collecting the Aadhaar numbers and enter the same in the online system already available in NREGASoft. For this a month-long drive may be undertaken by the States.
- c. A mobile module is being deployed by UIDAI in the mobiles (phablets) of GRs.

4. **Seeding of the Aadhaar numbers in the bank database:** Once the seeding is completed in NREGASoft, States will share the database containing both the Aadhaar number and the related bank account with all Banks electronically. Bank will seed these details in the bank account after due check. Thereafter, the data is placed on the NPCI Mapper by the Banks.

5. **Business Correspondents in each GP:** RBI has mandated that each bank shall position a BC in each GP with more than 2,000 population under the Financial Inclusion project. Wherever, Banks are not ready, we can ask the Dept of Posts to place the BCs (BPMs) take up distribution. States may call for a meeting of Banks and DoP at the earliest.

The Assam Tribune

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Mizoram goes ahead with AADHAR ignoring SC

Linda Chhakchhuak

AIZAWL, Oct 7 - Has the Congress-led Government of Mizoram committed contempt of court in the Supreme Court (SC) by going ahead with the biometric enrollment IUD or AADHAR claiming it as 'mandatory'?

At the same time, many observers wonder if the project being inaugurated at this time with the Chief Minister Lal Thanhawla flagging it off by being the first person to be registered under AADHAR in the State breaks the Election Model Code of Conduct (EMCC).

Elections was announced on October 4. The State Information and Public Relations department issued a press statement along with photographs of him and his family at some where their biometric data was taken by the AADHAR team. When asked about this, the Jt Chief Electoral Officer Lalengmawia told this reporter that they would discuss this issue with the Election Commission of India before giving a reply.

Even as the SC recently ordered that the AADHAR 12 digit number is not 'mandatory' and cannot be linked to a citizen getting access to essential services, the State Government here has issued a press release in which it claims that getting this number is 'mandatory' for a person to gain access to all services, including gas, bank accounts, mobile phones, registration of marriages, etc.

The press release was splashed as headlines in most of the dailies here. The press release in the local language went so far as to warn that (translated) "those who do not register themselves within the specified time and do not have the AADHAR 12 digit UID number would not be marked in the National Population Register and hence would not be regarded as citizens of India."


On September 23, the top court ruled that the Centre or States must not insist on Aadhar cards for providing essential services. "No citizen should suffer for the want of Aadhar cards", the court had said on a petition questioning the constitutional validity of the Unique Identity Card scheme. The Supreme Court had said Aadhar card is not mandatory and no person should be deprived of any government schemes for want of it.

Speaking to this reporter over phone today, retired Justice KS Puttaswamy, who filed the Public Interest Litigation against AADHAR being made mandatory by executive order, told this reporter that the SC ruling is binding on the Central Government and all State Governments. Any government that does not take this ruling into consideration is committing contempt of court, he said.

He also said that the Central Government has moved the Supreme Court to modify its ruling to make it mandatory for certain beneficiary based welfare schemes. It is coming up for hearing tomorrow (October 8).

As it is AADHAR and the biometric scheme is already controversial here in the state where people have some beliefs based on Biblical prophecies that warn against such

৩৫% বিশেষ বেহাই মূল্যে
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establishment enumeration. They believe that this is a numbering by the devil who would control the population of the world by giving them IUDs and refusing those who do not have this number. This has spread fear and insecurity among believers which cannot be a good atmosphere especially during polling time.

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Mysore Grahakara Parishat

Sunday, October 6, 2013

Supreme Court Order on Aadhaar is Being Flouted

The Supreme Court of India, in a recent decision (given on 23-9-13) has said that no person should suffer for not getting the Aadhaar card. But this order is being flouted by PDS shops and LPG dealers.

PDS outlets in Mysore are demanding Aadhaar card/number as a precondition for selling fair price ration items. Many people are suffering the loss of ration only because they have not enrolled for Aadhaar. This is probably happening in other parts of Karnataka also.

The same thing is happening for LPG also. Many people are suffering the loss of entitled LPG supply only because they have not enrolled for Aadhaar.

MGP has sent a copy of the Supreme Court order to the Government of Karnataka and asked it to issue necessary directions to all departments to immediately cease demanding production of Aadhaar card/number from the public for providing them benefits or services. It has said that insistence by officials on Aadhaar card may constitute contempt of the order of the Supreme Court.

R.Chandra Prakash, Mysore Grahakara Parishat

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Address

Mysore Grahakara Parishat
6/1, Vivekananda Road,
Yadavagiri
Mysore 570020
Ph: 2515150
e-mail: mygrapa@gmail.com

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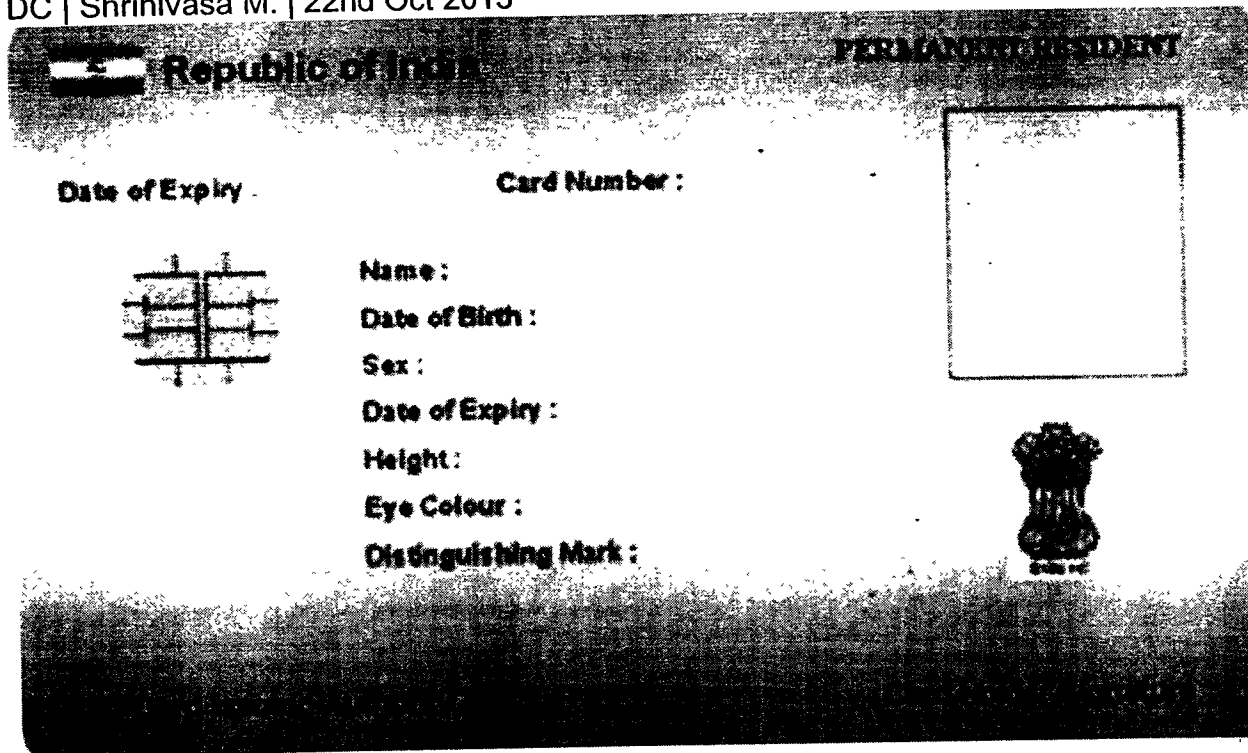
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Aadhaar queers pitch for scheme

DC | Shrinivasa M. | 22nd Oct 2013



Bengaluru: When the department of Food and Civil Supplies launched the Electronic Weighing-cum-Point of Sale Machines (EW-POS-M) in 'fair price shops' in the state, the move was welcomed. In fact it was hailed as the solution to the pilfering of subsidized food grains supplied under the Public Distribution System (PDS).

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But now the department is planning to replace these machines (many with faulty biometric data base uploaded into them) with compulsory Aadhar cards. According to sources familiar with these developments, many complaints have been received by the department that Below Poverty Line (BPL) families were deprived of Anna Bhagya (Rs 1 rice scheme) due to these machines.

Complaints were attributed to the faulty biometric data collected in a drive launched by the department itself. It may be recalled that the department successfully removed more than 51 lakh bogus BPL cards through this drive.

An officer from the department informed that following complaints, these Electronic Weighing-cum-Point of Sale Machines are not working properly and the old manual module has been re-adopted in many fair price shops.

"A number of officials have reservations about these newly introduced machines. These machines were the brainchild of then-secretary, department of food and civil supplies B A Harish Gowda. When they were introduced for the first time in the city on a pilot project, even a parliamentary standing committee on Food and Civil Supplies appreciated it. But now in the changed circumstances no one wants these machines," he said.

"These machines have become a nightmare for many fair price shop owners. Now in the name of errors in the biometric data, the manual system has been reintroduced in many areas," he added.

Meanwhile, the department is likely to make Aadhar compulsory to avail of the 'Anna Bhagya'.

"The proposal is tagging the BPL card holders to Aadhar card to ensure that all the new schemes introduced by the department will reach all the beneficiaries and erase the benami beneficiaries," he said. Dinesh Gundurao, minister, food and civil supplies (independent charge) was not available for comment even after repeated attempts.

Tags: Aadhar cards ^[1]

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THE HINDU

News » National

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No Aadhaar, no scholarship to Jharkhand SC, ST students

Anumeha Yadav



Students of Maharani Prem Manjari Balika High School of Ratu village who have missed out on scholarships in the absence of UID cards. Photo: Manob Chowdhury. Arrival Date: 06/10/2013 Byline: MANOB CHOWDHURY

Thousands of government school students, who missed getting enrolled in the scheme, are denied benefit

78

Though the Supreme Court has ruled that Aadhaar membership is not mandatory for accessing benefits, thousands of students in Jharkhand government schools who missed enrolling for the scheme, are unable to get scholarships.

Even MGNERGS workers in Ranchi, which was a pilot district in 2011-12 for linking the rural job scheme to Aadhaar, have not been paid through Aadhaar since the government discontinued its pilot in three panchayats here 10 months ago.

Even scholarship schemes were among the 13 linked to Aadhaar in phase-II of the project begun this year. "In pre-matric scholarships for SC, ST and OBC in Ranchi, Ratu, Nagri, from over 13,000 earlier, now the number of students is 9000, which is worrying. In one school in Ranchi we found the students who had not enrolled [for Aadhaar] had been absent 10-12 days a month. Many of these children worked part-time pulling rickshaws or the girls discreetly worked as domestic help in the morning before attending school," said an official.

Data from the district welfare office show that 23,817 children availed themselves of post-matric scholarships for the SC/ST and OBCs — one of the seven schemes linked to Aadhaar — in 2011-12. But in 2012-13, after Aadhaar was made mandatory for students, this dropped by 35 per cent to 15,638. The sharpest reduction is in the number of beneficiaries from tribal families. In 2011-12, 16,058 ST students got scholarships, while the next year this fell to 8,985.

At Hanjed, a tribal village in Bundu block, one of the worst conflict-affected areas, 40 km from Ranchi, school staff have expressed concern that children may get excluded from schemes.

"Their parents are poor farmers and need scholarships to buy notebooks, stationery and chappals for the children. Every day I ask the children to go to the block office to enrol [under Aadhaar]. Last year 29 of 36 students in Class VIII did not have UID [Unique Identification Number] and have not got their scholarships which would come by this year," said Arjun Mahto, principal of the government middle school. School teachers are still trying to get 21 of the 159 students, who got left out, enrolled for Aadhaar.

Forty km away at Sonahatu, 272 of the 286 Class X students in Rajsamposhit High School are SC, ST or OBC and qualify for scholarships. But only 12 of them have enrolled for Aadhaar, which is less than 5 per cent.

"Many of the girls live 12-15 km away in their in-laws' house. Either they did not find out in time about enrolment or the Bank of India turned them away," said principal Jaimasih Kerketta.

Till last year, the School Development Committee — consisting of the principal, parents of students from SC, ST families, and other members — would distribute cash received from the Welfare Department. “Even if the children were absent or were away visiting relatives, they would come to school after hearing about it [distribution], even dropouts would come,” said Sandhya Kumari, principal of Maharani Prem Manjari Girls’ High School in Ratu block.

When this reporter visited the school, 150 of the 504 students were absent. Though there was no computer, the school had to send a digitised list of beneficiaries to the welfare office for the fourth time this year after 25 new students, who did not have Aadhaar, enrolled in the institution.

The school staff said they were uncertain whether UID was mandatory or not. “Without Aadhaar card no scholarships will be disbursed,” notes a letter, dated August 12, from Tribal Welfare Commissioner Rajiv A. Ekka to the Welfare Department. Officials say if a child does not have the Aadhaar card, schools are supposed to send a separate list for payment through the old method. But of the 239 middle and high schools in Ratu, Nagri and Ranchi, no school has submitted a separate list, say officials.

In Ranchi city, at Shiv Narayan Girls’ High School, of 850 students, 536 are eligible for SC, ST, OBC stipends. Bindu Kumari, a Class VIII student, whose mother works as a tea vendor, missed enrolling in Aadhaar last year.

A district UID officer, however, said officials would intervene once errors were brought to their notice. “For instance, a B. Tech student from Tatislive got her details corrected in mid-August.”

Keywords: Aadhar project, UPA government, Unique Identification number, mandatory card, pension schemes, scholarship schemes, MNREGA

Printable version | Oct 26, 2013 3:37:51 PM | <http://www.thehindu.com/news/national/no-aadhaar-no-scholarship-to-jharkhand-sc-st-students/article5213382.ece>

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Aadhaar enrolment picks up after food security launch

Geeta Gupta Posted online: Thu Sep 19 2013, 01:15 hrs

New Delhi : With the Aadhaar card being made mandatory for availing benefits under any social security scheme of the Central or state government, many Aadhaar enrolment centres in the Capital are witnessing a rush, especially after the launch of the Food Security Scheme.

The Delhi government on Wednesday said the Aadhaar enrolment in the city has crossed the 100-per cent mark

"According to the 2011 Census, Delhi has a population of 1.67 crore. Aadhaar enrolments in the capital have already crossed 1.69 crore," Secretary (Revenue) Dharampal said.

"As per the data available with us, even those who are residents of Uttar Pradesh and Haryana have enrolled in Delhi. We have come across some cases of duplicate enrolments and these would be deleted by the system after scrutiny," he said.

As part of the preparation for the upcoming Assembly election, which is likely to be notified next week, the Revenue department of the Congress-led Delhi government had earlier asked the State Election Commission to make provisions for Aadhaar enrolments at Voter Registration Centres (VRCs) across the city.

"Approximately 500 enrolment machines are at work in the enrolment centres. There has been an increase in the number of people applying for Aadhaar cards after the government launched the Food Security Scheme in Delhi," Dharampal said.

The Revenue department has linked delivery of all its services to Aadhaar.

Also, all social security schemes of the Centre or state government have been linked to Aadhaar, including the ones which have direct benefit transfers.

The Unique Identification Authority of India pays Rs 50 for each enrolment that would lead to an Aadhaar generation.

While it costs the Delhi government Rs 38 for each enrolment, Rs 12 is the revenue earned by the government for each Aadhaar card that is generated.

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Despite Supreme Court order, no wages without Aadhaar card in Rajasthan village - The Hindu

THE HINDU

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Despite Supreme Court order, no wages without Aadhaar card in Rajasthan village

Many MGNREGA workers in Tilonia village of Ajmer district are struggling to get their wages as they don't have Aadhaar cards, this despite a recent Supreme Court order that said the unique IDs were not mandatory for accessing welfare schemes.

An order by the Postal Department in Ajmer, dated May 7, 2013, had instructed all sub-post masters to inform MNREGA workers that: "As per the orders of the Central/State government, after July 31, 2013, no payment would be made to MGNREGA accounts without an Aadhaar card."

The order directed the workers to register their Aadhaar numbers with their accounts. It said the workers would be themselves responsible for any inconvenience caused.

Soon after, the staff at the Tilonia post office started turning away workers who did not produce a copy of their Aadhaar cards.

"Well, we did not turn away everyone without an Aadhaar. We made payments to those workers who could at least produce their Aadhaar enrolment receipt, if not the card itself," said Harkaran, the sub-post master.

When told about the Supreme Court order, he said he was aware of it but could not bypass the departmental order. "We have not received any new order, or even oral instructions, nullifying the previous order," he said. Of the 5,000 MNREGA accounts at the Tilonia post office, only about a thousand are linked to Aadhaar. "The orders were strict. But I have to manage the situation here on the ground. I have been making payments to several account-holders based on my goodwill and personal relations," the sub-post master said.

Dhaneshwari Devi, an auxiliary nurse midwife in Tilonia, has a similar arrangement with the beneficiaries of the Janani Suraksha Yojana, which provides cash incentives to pregnant women opting for institutional deliveries.

"We have been told the Aadhaar card is mandatory, but if the beneficiaries don't have it, we don't just turn them away. We work something out," she said.

While this arrangement raises questions about the Aadhaar card's necessity, it leads to the possibility of exclusion, resulting from the official's subjectivity and bias.

"This illustrates two things. One, that it is possible to continue direct benefit transfers as long as people have bank or post office accounts. Two, while Aadhaar's stated purpose was to reduce the power of middlemen [the post master in this case]; it is reinforcing their power in the intervening period when the accounts are seeded with the UID numbers. The government has created unnecessary confusion on the ground and added an unnecessary layer of bureaucracy," said development economist Reetika Khera.

Kartar (35), a construction worker from Tilonia, has had a tough time getting his Aadhaar card made. "I went to the camps three-four times but was sent back every time. The *babus* asked me to apply cream on my palms and then come back. When it still didn't work, they asked me to use mustard oil for some days but even then, the machine did not record my fingerprints," he said.

Kartar said sarcastically that given the nature of his job, his palms don't seem to have an "Aadhaar line".

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A cost-benefit analysis of *Aadhaar*

National Institute of Public Finance and Policy *

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Abstract

This study estimates the costs and benefits of *Aadhaar*. We find that substantial benefits would accrue to the government by integrating *Aadhaar* with schemes such as PDS, MNREGS, fertiliser and LPG subsidies, as well as housing, education and health programmes. The benefits arise from the reduction in leakages that occur due to identification and authentication issues. Our analysis takes into account the costs of developing and maintaining *Aadhaar*, and of integrating *Aadhaar* with the schemes over the next ten years. Even after taking all costs into account, and making modest assumptions about leakages, of about 7-12 percent of the value of the transfer/subsidy, we find that the *Aadhaar* project would yield an internal rate of return in real terms of 52.85 percent to the government.

*The spreadsheet for the cost benefit analysis, with the details of the assumptions and calculations has been released on the web, at <http://goo.gl/JzwaV>. This will assist other researchers and policy analysts to modify key assumptions and explore alternative outcomes.

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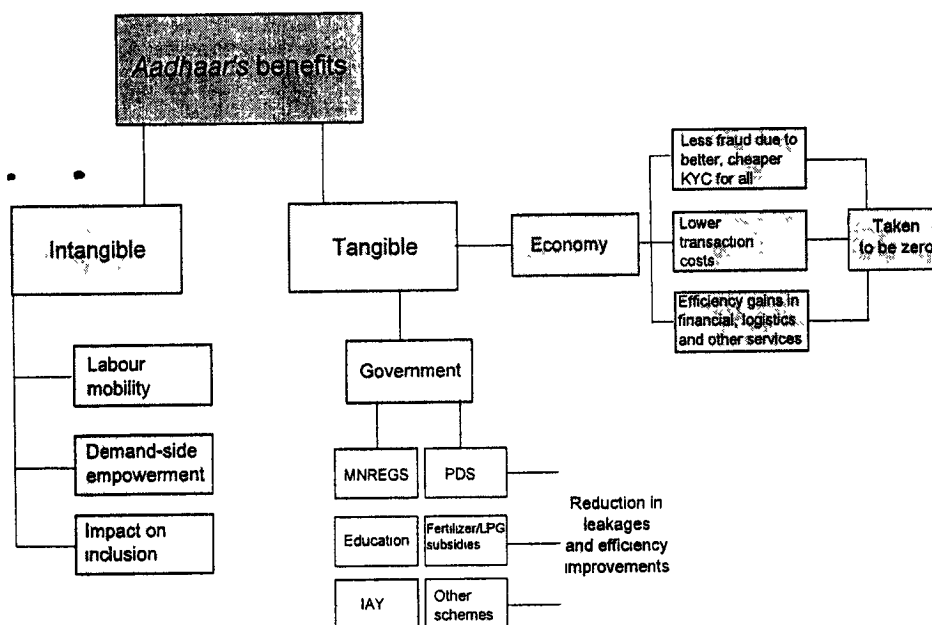
1 The question

In recent months, there has been considerable debate about the *Aadhaar* programme. Scepticism has been expressed about whether the expenses of the programme are justified.

By our estimates, the NPV of the expenses required in building *Aadhaar* (and integrating it with the government programmes: Public Distribution System (PDS), Mahatma Gandhi National Rural Employment Guarantee Scheme (MNREGS), fertiliser and LPG subsidies, education (Sarva Shiksha Abhiyan (SSA) and Mid-day Meal (MDM)), Indira Awaas Yojana (IAY), Janani Suraksha Yojana (JSY), Accredited Social Health Activist (ASHA), Integrated Child Development Scheme (ICDS), pensions and scholarships works out to Rs. 37,186 crore rupees.

Given the magnitude of these expenses, it is important to obtain clarity about the extent to which benefits outweigh costs.

Figure 1 Mapping *Aadhaar's* benefits



A full fledged cost benefit analysis of *Aadhaar* is hampered by two problems. First, many of the gains from *Aadhaar* are difficult to quantify as they are intangible (see Figure 1). A main benefit of *Aadhaar* is that it can make many of the existing

government programmes more demand-led, empowering the beneficiaries to hold the programmes accountable for their entitlement. For example, in PDS, once beneficiaries are enrolled with the system, it becomes easier for them to claim their benefits because they can authenticate their presence as beneficiaries. It also reduces leakages due to better matching of supply with demand. In another example, if the poor are able to access mobile-phone based payment systems, through which payments can be obtained or made at the cost and convenience of sending or receiving an SMS, this would be a revolution in financial inclusion.

Further, with non-digitised, local information on workers seeking jobs, an important aspect of the labour market, namely labour mobility is adversely affected. *Aadhaar* will make the migration experience in search of jobs easier by giving an identity to migrants in their destination locations. Similarly, rights and entitlements can be decoupled from the location of the resident. For instance, transaction costs involved in enrolling for a ration card in a new town/village/city in India are enormous. This entitlement is often forgone and it imposes high levels of opportunity cost for mobility. Such costs are expected to be driven down with a national identification mechanism and *Aadhaar* can play this role effectively. However, the gains from these are not easily quantifiable.

Second, in the case of specific schemes for which benefits are tangible, such as the MDM programme, while a reasonable case can be made that the use of *Aadhaar* in MDM will reduce leakages, the present state of knowledge does not permit precise quantification of the gains.

Hence, the approach taken in this paper is to use available information for government schemes such as PDS and MNREGS, where the literature has estimated some leakages. Then we use the learnings to make some assumptions for a few other schemes for which similar studies are scarce. Even for PDS and MNREGS, the studies are not always of the current year, and there have been technological and other changes that may have improved the efficiency of the schemes. For example, in MNREGS, the requirement that all wage payments should be made through a bank account reduces leakages that are inherent in cash disbursements. So, for PDS and MNREGS, the estimates are also adjusted to reflect the improvements that should have happened since the studies were conducted.

We consider the leakages due to identification and authentication errors that *Aadhaar* can address, i.e., the existence of duplicates and “ghost” beneficiaries. The benefits of reduction in leakages due to *Aadhaar* from these programmes are compared against the costs of building and integrating the various schemes with *Aadhaar*. Once the *Aadhaar* infrastructure is set up, since integration with the schemes may take some time, we assume that the benefits accrue with a lag.

Finally, we estimate the costs and benefits of *Aadhaar* to the government, in terms of expenses incurred by a government agency and the reduction in leakages respectively. Any reduction in leakages is considered a benefit, because the money can then be utilised for its real purpose i.e., for the targeted beneficiaries, or if the reduction in leakages leads to a reduction in the overall government expenditure required for the respective scheme, it is a benefit because the money can then be utilised in other programs. There are gains to the economy as a whole as well, which we set to zero in the current analysis.

Besides the ones considered, there are numerous other government schemes and programmes with the main mandate as some kind of transfer from the government to a citizen or resident. A report by the Consultative Group for Assisting the Poor (Breloff and Rotman, 2011) estimates that in 2008-2009, 22 welfare schemes paid out a total of about Rs. 3,25,000 crore. As more information becomes available on other schemes, the analysis can be expanded to include the true returns of the *Aadhaar* project.

2 Estimation of cost

There are two categories of costs involved in the *Aadhaar* project. First, the capital and operations expenditure for establishing and maintaining *Aadhaar* are taken into account. Second, the cost of integrating *Aadhaar* with various government schemes are factored into the estimation.

Capital and operating expenditure for developing and maintaining *Aadhaar* are obtained from the budget estimates of *Aadhaar*. The costs available in the budget are for a period of 7 years, i.e., from 2010-11 to 2016-17, with a projected enrolment trajectory achieving a coverage of 1.13 billion individuals by 2018. For the subsequent four years (from 2017-2018), we have adjusted the capital and operations expenditure of *Aadhaar* to reflect the steady state costs of maintaining *Aadhaar*. Note that since the enrolment responsibility is now equally divided between the Unique Identification Authority of India (UIDAI) and the Registrar General of India (RGI), the costs of *Aadhaar* enrolment may turn out to be lower.

Integration costs vary from one scheme to another. They take the form of capital and operations expenses incurred for developing and maintaining the infrastructure for authentication using *Aadhaar* and, in most cases, for integrating the respective scheme's database with *Aadhaar*, doing the required application development, and maintaining a database management system. For most programmes, it is assumed that integration requires similar capital infrastructure such as biometric

terminals and operations expenses on maintenance, connectivity and training. For programmes that involve payments through banks, the cost of providing incentives to the banking channels are taken into account. Thus for these schemes, it is assumed that the banking channel will be paid a percentage of the value transferred as an incentive.

Biometric terminals have been depreciated at 33 percent (straight-line) per year with the replacement cost reducing every three years. Application development and consulting costs are incurred in the first few years, and database management and support costs are assumed to be steady state costs. The spreadsheet provides details on these cost assumptions. The remaining costs have been assumed at 2011 prices, with no decrease over time. Appendix A provides detailed estimates of integration costs.

3 Estimation of benefits

Aadhaar is potentially useful for reducing leakages in a large number of government programmes. In this analysis, we estimate the gains for some government programmes that can benefit through integration with *Aadhaar*. We start by looking at PDS and MNREGS because of the existence of research literature and better data availability. We then extend the analysis to other schemes where we make assumptions on the leakages based on the aforementioned schemes. An estimation of leakages helps us understand the reduction of costs that will come about through the use of *Aadhaar*.

3.1 Public Distribution System (PDS)

The PDS system is envisaged to provide food to 65 million households (GOI, 2011e). Studies report large leakages and diversions of subsidised food grains. GOI (2005b) reports that 58 percent of the subsidised food grains issued does not reach targeted beneficiaries. Of course, some of the sources of leakage in PDS such as theft of grain in the supply chain cannot be solved using *Aadhaar* alone.

One of the reasons for this loss has been identification errors in the PDS delivery system. These identification errors may be due to many reasons. For example, beneficiaries may be non-existent ("ghost"), or may be duplicates, i.e., have obtained multiple identities for the purpose of obtaining subsidies. Admittedly, the problem of beneficiaries being incorrectly classified is a third identification error, but we assume that this problem cannot be solved using *Aadhaar* (Khera, 2011b).

Multiple sources point to different data on identification errors.¹ However, for the purpose of this discussion, we rely on the conclusions drawn by GOI (2005b), according to which diversion of subsidised grains to non-existent (“ghost”) beneficiaries was reported at 16.67 percent.² We assume that utilising *Aadhaar* in PDS can help in combating this component only.

This estimate is somewhat fuzzy. A careful microeconomic analysis of PDS is urgently called for to arrive at better estimates of these critical system features. For instance, problems such as ghost beneficiaries may be only a partial source of leakage of PDS food grains (Khera, 2011b).

We adjust the estimate downwards by 25 percent to account for improvements in the system that may have taken place since the report was published. Thus the benefit through reduction in leakages assumed is 12.5 percent of the subsidy.

The total food subsidy for the year 2010-11 is Rs. 58,500 crore (GOI, 2012b). We adjust the value downwards by 30 percent to account for subsidies in the form of back-end costs, which are not consumer subsidies, for which exact data is not available.

The expenditure on kerosene subsidies in 2010-11 was around Rs. 19,600 crore (Nilekani, 2011). NCAER (2005) suggests that 38 percent of PDS kerosene does not reach its intended recipients (Rangarajan *et al.*, 2006; Business Standard, 2005). However, the report does not suggest what part of this leakage may be due to ghost or duplicate beneficiaries. Therefore, the proportion of leakage in PDS kerosene which may potentially be addressed by *Aadhaar* is assumed to be similar to the case of PDS food grains (GOI, 2005b). This estimated leakage is 11.1 percent of the subsidy. Again, the estimate is adjusted downwards by 25 percent to account for improvements in the scheme since the study was conducted. So, the benefit from integrating with *Aadhaar* is assumed to be 8.3 percent of the value of the expenditure on PDS.

Beyond these benefits, the integration of *Aadhaar* with PDS may also have benefits that are intangible at present and may not be immediately quantifiable. A case in point is that of the “portability” of benefits: *Aadhaar* being a universal (and portable) identification number may allow the government to offer portable subsidies irrespective of which state a beneficiary is in (UIDAI, 2010). However, this claim needs to be carefully studied before any attempts at quantifying this are made. For instance, operationalising a portable identity which links *Aadhaar* to the benefits of PDS will likely be a challenge in a scenario where the supply of subsidised commodities is linked to the previous months’ demand (Khera, 2011b).

3.2 Mahatma Gandhi National Rural Employment Guarantee Scheme (MNREGS)

The MNREGS programme is envisaged to provide 100 days of employment to all rural households. The cost of wages under the scheme constitutes about 70 percent of the total scheme expenditure. In 2011-12, the wage expenditure bill of the government was to the tune of Rs. 24,864 crore (GOI, 2011h). In order to ensure that this money reaches the intended beneficiaries, the MNREGS guidelines stipulate various transparency and accountability measures in the form of issuance of job cards, maintenance of muster rolls, monitoring and implementation systems and regular social audits. Despite these measures, studies indicate that implementation problems have been encountered in various states.³

A key problem with the implementation of MNREGS is diversion of funds, through ghost beneficiaries and inflated/ fake work records. Based on data collected from 8 states,⁴ Chauhan *et al.* (2009) found a great deal of fraud such as making of fake job cards and improper maintenance of muster rolls.⁵ The report however does not quantify the leakages caused on account of these problems. A series of state-level social audits have made attempts to record these anomalies.

An audit conducted by the Centre for Planning, Monitoring and Evaluation in 19 districts of Orissa during 2007-2008 (CPME, August 2008) found that muster rolls reflected 8.6 percent ghost beneficiaries, 23.1 percent ghost person days and only 61 percent of the claimed wage payments had actually been received by workers.⁶ Arguably, Orissa reflects the extreme end of the spectrum and other states like Andhra Pradesh, Tamil Nadu, and Rajasthan have been much more effective in taking measures to check corruption under MNREGS (Dr ze *et al.*, 2008). While state-wise variations in the implementation of the scheme are inevitable, problems similar to those found in Orissa have also been identified in other social audits albeit with varying intensity. Uttar Pradesh⁷ (Dhuru, 2007), Jharkhand⁸ (CDE, 2007b) and Chattisgarh⁹ (CDE, 2007a) are some states for which similar audit reports are available.

Using the data from these various surveys, we estimate that a leakage of approximately 12 percent is being caused to the government on account of ghost workers and manipulated muster rolls.¹⁰ We assume that 5 percent of the leakages can be plugged through wage disbursement using *Aadhaar*-enabled bank accounts and 7 percent through automation of muster rolls.

In addition to the benefits estimated above, integration of *Aadhaar* with MNREGS can lead to several other advantages that cannot be monetised. SPS (2009) notes that use of *Aadhaar* can be combined with wireless networks to register work

applications online. This will make actual work demand visible on the network for those monitoring the programme. The sanctioning of materials for carrying out work under MNREGS can also be linked to the *Aadhaar* system. Real time data on the number of labourers engaged in the project through *Aadhaar* authentication will allow supervisors to keep track of the materials required and therefore check pilferage. *Aadhaar*-based authentication can also be used in conjunction with the bank correspondent model to ensure more efficient access to their funds by MNREGS beneficiaries (SPS, 2009).

3.3 Education

SSA and MDM are the government's flagship programmes in the field of primary education. Under SSA, the government pays for schooling facilities, teacher's salaries, textbooks and uniforms for children. The MDM programme addresses their nutritional requirements through provision of cooked meals. The allocation of benefits under these schemes is on the basis of enrolment figures provided by each state.

The introduction of MDM and SSA is noted to have contributed greatly to improved enrolments in schools (GOI, 2010a). However, PROBE (1998) cautions that official enrolment data compiled from school records is often prone to exaggeration on account of under-age enrolments, nominal enrolment of children who do not actually attend school, double enrolment of children who attend private schools, and fake enrolment of ghost beneficiaries. Kumar and Rustagi (2010) observes that *"in many instances, enrolments figures are fudged for a variety of reasons including the pressure to report universal enrolment, the opportunity to get additional allocations of food and other materials that can be siphoned out, and sometimes even the need to retain a teacher's post"*

The government has to face losses in the form of wasteful expenditure and leakages arising due to inflated enrolment data. *Aadhaar* can help address this concern by providing a robust tracking mechanism to monitor the enrolment and attendance of students. On the one hand this will help address the problem of inflated enrolments of fictitious students and on the other, it will allow for real-time monitoring of the benefit distributions using attendance records. Any unused resources available with the school due to student absenteeism can be therefore be adjusted by the central government while making subsequent allocations to the state. In addition, the use of *Aadhaar* in the PDS distribution system will help plug leakage of food grains, which are to be disbursed to schools through the Food Stamp Programme (FSP). We assume that the integration of *Aadhaar* with the MDM scheme in the manner contemplated above will enable the government to save approximately 10 percent of the costs that it currently incurs on the scheme.

Leakages also exist in the distribution of books, scholarships, uniforms and bicycles to students under education schemes, which can be addressed by linking the distribution of these benefits with *Aadhaar* (GOI, 2012i). In the absence of data on the extent of leakages that exist on account of fake and duplicate beneficiaries, we have assumed this figure to be 10 percent of the total expenditure incurred by the government on books and uniforms for school children.

Use of *Aadhaar* can also help address a major problem that has been repeatedly noted with the SSA scheme - the problem of teacher absenteeism (Accountability Initiative, 2011; GOI, 2009b). States that have reported high rates of absenteeism include Madhya Pradesh where it was found that two-thirds of the teachers did not attend schools, Uttar Pradesh where the proportion of absent teachers was 20 percent, and Bihar, which reported figures of 25 percent (GOI, 2009b). A separate study found that 14 states were grappling with teacher attendance rates between 75 and 85 percent (GOI, 2009a). Keeping these studies in mind, we have assumed 10 percent absenteeism by teachers employed under SSA across the country. Thus the benefit of integrating with *Aadhaar* is taken to be 10 percent of the value of the transfers in this scheme.

To estimate the benefits of integration with *Aadhaar*, the expenditure for teacher salaries, books and uniforms is taken as Rs. 16,491 crore in 2011-12 (GOI, 2011i);¹¹ and for MDM, it is taken as Rs. 9,128 crore in 2010-11 (GOI, 2012a). For the latter, we take 85 percent of the value to account for administrative expenses.

3.4 Fertiliser subsidy

The government prescribes the maximum price at which fertilisers may be sold. These prices are usually lower than the cost of fertilisers or the cost of importing them. The government subsidises the manufacturing and import of fertilisers to ensure that they are sold at the maximum price the government has set. Most of the subsidy amount is released to the manufacturer or importer when the fertilisers are received at district level, and the remaining is released when the fertilisers are sold to the dealer or retailer. The fertiliser moves from the producers/importers, to wholesalers/dealers, to retailers, and eventually to the farmers. In 2010-11, the entire subsidy bill for fertilisers amounted to about Rs. 62,301 crore (GOI, 2012c).

At present, there is no mechanism for identifying and authenticating the individual farmers who receive these fertilisers. This creates potential for diverting the fertilisers towards non-agricultural uses, which is a problem because the subsidies are justified by the agricultural use. The system also suffers from inefficiencies because of the low level of automation. For using *Aadhaar* to limit diversion and

other leakages, and for improving the efficiency in the system, the pre-conditions to be fulfilled are: policy decisions that mandate defining eligibility criterion for beneficiaries of the subsidies; and development of a database that helps identify the individual farmer purchasing the fertiliser.

The Task Force on Direct Transfer of Subsidies on Kerosene, LPG and Fertiliser has proposed a three phase process of moving towards direct transfer of subsidies into the bank accounts of the beneficiary farmers (Nilekani, 2011). Once this process has been implemented, it should be possible to directly transfer the subsidy amount into the bank account of the farmer, when the farmer buys the fertiliser. This should be possible with adequate technology infrastructure. With every retailer, there should be a device that authenticates the farmers. The information then flows directly into a database that is linked to another system that activates the decision to transfer money into the account of the farmer. Such a system should help ensure that diversion and leakages are reduced, and the efficiencies in the system improve with time. There are no comprehensive studies on the losses due to leakages and inefficiencies in this subsidy schemes. Using the estimates for PDS and MNREGS as benchmarks, we assume that using such an *Aadhaar*-enabled system would result in a benefit of 7 percent of the total value of subsidies

3.5 LPG subsidy

The government subsidises the rate at which LPG cylinders are available for household consumption. The price of LPG cylinders meant for commercial use is not subsidised. There are reports of widespread diversion of LPG cylinders towards commercial use, and other forms of leakages in the system. For example, it is possible that some households may be using the subsidised LPG cylinders for non-household purposes. The total subsidy bill for the government in the year 2009-10 was Rs. 16,071 crore (Nilekani, 2011).

Though at present there are no limits on the number of LPG cylinders a household may use, it may be a good idea for the government to limit the level of subsidy by putting a cap on the number of cylinders, as has been recommended by the Task Force on Direct Transfer of Subsidies on Kerosene, LPG and Fertiliser (Nilekani, 2011). Subsequent to such a policy decision, it will become important to identify and authenticate individuals who are using LPG cylinders. For this *Aadhaar* can play a crucial role. *Aadhaar* database can be linked with the database of households using LPG cylinders, and the individuals purchasing the cylinders can be authenticated. This would help minimise the leakage and diversion of cylinders meant for household consumption.

Even if the government does not take the policy decision of putting a cap on household consumption of LPG cylinders, biometric authentication of individuals purchasing cylinders would help keep track of where the cylinders are being used. This itself can help minimise the diversion of cylinders. Of course, if the government does not cap the number of cylinders to be used by households, it would be possible for households to purchase the cylinders and sell them in the market, as one would expect in a market with two prices for the same product (a subsidised price and a non-subsidised price). Even after accounting for such diversion, the leakage and diversion done by the distributors and retailers should reduce just by identification and authentication using *Aadhaar*.

Though there are reports of raids finding extensive use of subsidised LPG cylinders for commercial purposes (TERI and IISD, 2012), there are no comprehensive studies documenting the extent of leakage and diversion. In the absence of such robust studies estimating the leakage from the system towards commercial use, we assume that use of *Aadhaar* would result in a benefit of 10 percent of the value of the subsidy (similar to PDS).

3.6 Indira Awaas Yojana (IAY)

Under this scheme, the government provides grants to identified households below the poverty line in rural areas for the construction and upgradation of houses. The targeted beneficiaries include those belonging to the scheduled castes and tribes, minorities, freed bonded labourers, disabled persons, former members of the paramilitary forces and family of military personnel killed in action. The construction assistance provided is Rs. 45,000 per unit in plain areas and Rs. 48,500 in hilly areas (GOI, 2011a). The number of houses under construction sanctioned during the year 2010-11 was 19,52,914 (GOI, 2010b). Hence we calculate that the value of financial assistance given was Rs. 8,788 crore. The disbursement of funds takes place through bank and post office accounts (GOI, 2012j).

Some reports highlight that there is corruption in this scheme, leading to leakages of IAY funds. Funds are allotted to multiple members of the same family, the benefit is given twice to one beneficiary, houses are allotted to government officials, bribes have to be paid, and middlemen create inefficiencies (GOI, 2010c; IFMR, 2009; Ahmad, 2009). Though exact numbers for leakages are not known, since the disbursement takes place through bank accounts, there can be leakages due to fake beneficiaries as well as the existence of "ghosts", which *Aadhaar* can plug. We assume that leakages are of the order of 10 percent which can be reduced by using *Aadhaar*-enabled accounts.

3.7 Other schemes

We include other government schemes in the analysis where integration with *Aadhaar* can reduce leakages that arise due to identification errors. Since the transfer of benefits takes place through bank or post office accounts in these cash transfer programmes, we assume that having *Aadhaar*-enabled bank accounts will result in a benefit of 7 percent of the value of the transfer. The schemes considered are:

3.7.1 Scholarships

A number of scholarship schemes have been put in place by the government to support meritorious students belonging to disadvantaged backgrounds. In several cases the scholarships are disbursed directly to the bank or post office account of the student so as to ensure that payments are made in a timely and correct manner (GOI, 2010d). Disbursing payments through *Aadhaar*-enabled bank accounts will make the process more efficient and prevent funds from being diverted to bogus bank accounts. We use the aggregate government expenditure of Rs. 4,519 crores on various scholarship schemes to compute the cost savings through integration with *Aadhaar*.¹²

3.7.2 Pensions

Studies find that overall leakages in social pension schemes, particularly old age pensions, are relatively lower than other government programmes. However, leakages do take place in some areas due to duplication and fake entries, and because those who have died are not removed from the records and their benefits continue to be claimed (Dutta *et al.*, 2010; Dutta, 2008).

Pensions are paid through bank accounts in most cases. Here, duplicates and “ghosts” can exist. Where disbursement is through money order or cash (Dutta, 2008), *Aadhaar* can play a role in reducing leakages in payments. It will also help in keeping accurate records which reduces the possibility of diversion of funds to non-beneficiaries.

We use the budget allocation for the National Social Assistance Programme (NSAP) of Rs. 5,110 crore for the analysis (GOI, 2012d).¹³

3.7.3 Janani Suraksha Yojana (JSY)

This is a safe motherhood intervention under the National Rural Health Mission (NRHM) intended to promote institutional delivery among the poor pregnant women. It is entirely sponsored by the central government and has special dispensation for states that have low institutional delivery rates,¹⁴ classified as Low Performing States (LPS) (as against High Performing States (HPS)). The scheme provides cash assistance to all eligible mothers for delivery. The link between the health facility and the community is the Accredited Social Health Activist (ASHA) (GOI, 2011b).

The coverage of JSY in 2010-11 stands at 113.38 lakh women, spread across LPS and HPS.¹⁵ The expenditure under the scheme for the same period was Rs. 1,600 crore (GOI, 2011b). It is assumed that this expenditure is the entire payout amount under this cash transfer scheme, although it is possible that there are administrative and management costs involved (UNFPA, 2009). However, since JSY is part of the larger NRHM project, it is assumed that the scheme's administrative costs are relatively negligible, and the major costs are in fact subsumed by the latter.

3.7.4 Accredited Social Health Activists (ASHA)

According to GOI (2011g), there are an estimated 7,30,909 ASHAs in India.¹⁶ The ASHA is a health activist who acts as the link between the community to the health care system. The initiative is designed to create awareness on health issues, motivate the community, and help improve access to basic health services. Appointed under NRHM, ASHA workers are usually female, and are accountable to the village panchayat. ASHAs receive performance-based compensation for carrying out various activities, including promoting universal immunisation, referral and escort services for reproductive and child health, and other programmes. There are general guidelines for the appointment of ASHAs, but states have the discretion to customise to their own requirements (GOI, 2005a).

The maximum compensation an ASHA can receive is approximately Rs. 17,200 in a year, assuming that the entire range of services are provided. However, studies suggest that this number varies across states (Bajpai and Dholakia, 2011), and the average amount of incentive per ASHA is lower annually. At an average of Rs. 12,000 per annum, we compute the total expenditure on payments to ASHAs as Rs. 877 crore.

3.7.5 Integrated Child Development Centres (ICDS)

Anganwadi centres have been created under the ICDS and are part of the public health care and education system. These centres cater to the development needs of children in the age group of 3-6 years, including through pre-school education, as well as provide health and nutrition counselling and care to infants and children up to the age of 3 years, and pregnant and lactating mothers (GOI, 2005a). Anganwadi centres are staffed with anganwadi workers (AWW) and anganwadi helpers (AWH). As of 31 March 2011, according to GOI (2011j), 11,74,388 AWWs, and 11,04,098 AWHs were in position.¹⁷

AWWs and AWHs are paid an honorarium which is decided by the government. According to GOI (2011f), the Cabinet Committee on Economic Affairs has revised the honoraria amounts to Rs. 3,000 per month (for AWWs) and Rs. 1,500 per month (for AWHs).

4 Internal rate of return

The calculations in this document are summarised in Table 1. The internal rate of return in real terms generated by *Aadhaar* is 52.85 percent.

The analysis shows that the IRR will depend on how comprehensive and rapid the integration of these programmes with *Aadhaar* is going to be.

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Table 1 Cost-benefit analysis of Aadhaar											
(Rs crore at constant prices)											
2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	
270	12,00	2,265	2,674	3,696	3,853	4,423	4,272	4,871	4,828	4,835	Total cost
0	0	425	1,082	2,206	4,502	9,192	18,778	23,989	24,532	25,100	Total benefit
-270	-1,200	-1,840	-1,592	-1,489	649	4,769	14,506	19,118	19,704	20,265	Net benefit
52.85	(Real) IRR (percent)										



5 Summary

It is important to judge these estimates in close connection with the assumptions that went into the estimation. For the detailed assumptions, refer to Appendix A. We have made the following key assumptions:

1. The integration of *Aadhaar* into government programmes takes place from 2 percent coverage of participants in 2012-13 to 100 percent coverage in 2018-2019. (The sequence is shown in the row 'Roll-out' in Table 5.)
2. The expenses incurred for developing and maintaining *Aadhaar* during the first seven years are those envisaged in the *Aadhaar* budget estimates. For the subsequent four years, we assume certain steady state costs of maintaining *Aadhaar*.
3. For this analysis, it is assumed that certain government programmes obtain improvements through *Aadhaar* integration. The schemes are: MNREGS, PDS, fertiliser and LPG subsidies, education, IAY, ASHA, ICDS, scholarships and pensions.
4. Leakage estimates for MNREGS and PDS are obtained from government reports and other studies. The estimated leakage is adjusted downwards by 25 percent to account for dated studies and technology improvements due to which leakages may be lower now.
5. For other schemes, we assume leakages between 7-10 percent.

In conclusion, based on our assumptions, *Aadhaar* project has an internal rate of return in real terms of 52.85 percent to the government.

Appendices

A Assumptions

Table 2 lists all the common assumptions and Tables 3 and 4 list scheme specific assumptions that go into the estimation of benefits and costs in this paper. We assume that:

1. The cost of biometric device (POS device) is assumed at the rate of bulk purchase, and it is assumed that the cost of replacement every 3 years will fall.¹⁸
2. Training, device maintenance and support, and connectivity costs are assumed at the 2011-12 levels. There is an annual training cost of Rs. 500 per person trained. Each device will require Rs. 500 for maintenance support per annum. Connectivity costs are assumed at Rs. 1,200 per annum per device.
3. Wherever there is payment to be made through *Aadhaar*-enabled bank accounts, incentives to be paid to banks will be as follows: banks will be paid 3 percent of the value during the first 5 years, and 2.5 percent subsequently.
4. The real wage transferred in MNREGS will not go up over time.
5. The price of commodities transferred through the PDS will not go up over time.
6. Annual increase factor differs by scheme: For food grains, it is assumed to be 5 percent, given the upcoming changes in the food security schemes. For fertiliser subsidy, it is assumed that there will be a 2 percent annual decrease in subsidies, because the government has indicated it will rationalise and reduce these subsidies. For LPG subsidy, it is assumed that there will be no increase in the subsidy even due to population increase, because it seems likely that the government will either stagnate or reduce the subsidies, which is likely if reforms are brought to the subsidy regime. For all other schemes, an annual increase factor of 2 percent on account of population increase is assumed.



B Benefits and costs: details

See Tables 5 and 6 for detailed break-up of benefits and costs of integration with *Aadhaar*.

Table 2 Common assumptions underlying benefits and costs analysis

Variable	Units	Value
Project life cycle	years	11
POS device cost	Rs. per year	12,000 ^a
Depreciation rate	percent per year	33
POS maintenance cost	Rs. per device per year	500
Connectivity cost per device	Rs. per year	1,200
Training and support cost	Rs. per staff per year	500
Payment to bank	percent of transfer	3 ^b
Population increase	percent	2

a. It is assumed that the cost will fall every three years, so replacement cost is lower than purchase cost

b. From the sixth year onwards, it falls to 2.5 percent of the value paid

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Table 3 Scheme specific assumptions

Variable	Units	Value
MNREGS		
Wages disbursed	Rs. crore	24,864
Total units (1 unit per panchayat) (2009-10)	nos.	2,39,627
Leakage related to muster rolls	percent of wages	7
Leakage related to bank account disbursements	percent of wages	5
PDS		
PDS consumer subsidy on food grains (2010-11)	Rs. crore	45,000
Targeting / ID error for food grains	percent	16.7
Adjusted leakage for food grains	percent	12.5
Kerosene subsidy (2010-11)	Rs. crore	19,600
Kerosene leakage	percent	38
Targeting / ID error for kerosene	percent	11.1
Adjusted leakage for kerosene	percent of subsidy	8.3
Fair Price Shops (FPS)	nos.	4,77,000
POS devices per FPS	nos.	1
Fertiliser		
Subsidy (2010-11)	Rs. crore	62,301
Decrease in subsidies per year	percent	2
Shops	nos.	2,30,000
Leakage	percent of subsidy	7
LPG		
Subsidy (2009-10)	Rs. crore	16,071
Distributors	nos.	10,000
Units per distributor	nos.	5
Staff to be trained per distributor	nos.	5
Increase factor	percent	0
Leakage	percent of subsidy	10
Education		
Teacher salaries	Rs. crore	14,467
Expenses on books	Rs. crore	1,026
Expenses on uniforms	Rs. crore	998
Mid day meals (2010-11)	Rs. crore	7,759
Schools	nos.	12,37,000
POS devices per school	nos.	2
Staff per school (for training costs)	nos.	3
Leakage	percent of expenditure	10
IAY		
Houses sanctioned	nos.	19,52,914
Amount per unit	Rs.	45,000
Total expenditure (2010-11)	Rs. crore	8,788
Leakage	percent of expenditure	10

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Table 4 Assumptions: Other schemes

Variable	Units	Value
Leakage	percent of transfer	7
JSY		
Allocation	Rs. crore	1,600
ASHA		
Number of ASHAS	nos.	7,30,909
Average payment per ASHA	Rs. per annum	12,000
Total payments to ASHAS	Rs. crore	877
ICDS		
Number of Anganwadi workers	nos.	11,74,388
Average payment per Anganwadi worker	Rs. per annum	3,000
Number of Anganwadi helpers	nos.	11,04,098
Average payment per Anganwadi helper	Rs. per annum	1,500
Total payments to Anganwadi workers and helpers	Rs. crore	518
Scholarships		
Allocation	Rs. crore	4,519
Pensions		
Allocation	Rs. crore	5,110

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Table 5 Benefits of Aadhaar										
(Rs crore at constant prices)										
	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
Roll-out (percent)	0	2	5	10	20	40	80	100	-	-
MNRGS	0	61	155	317	646	1,318	2,688	3,427	3,496	3,566
PDS	0	158	412	861	1,797	3,752	7,834	10,226	10,680	11,155
Fertiliser subsidy	0	87	214	419	821	1,609	3,154	3,863	3,786	3,710
LPG subsidy	0	32	80	161	321	643	1,286	1,607	1,607	1,607
Education	0	50	127	259	528	1,078	2,199	2,803	2,859	2,917
Other schemes	0	18	47	95	195	397	810	1,032	1,053	1,074
Total Benefits	0	425	1,082	2,206	4,502	9,192	18,778	23,989	24,532	25,100

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Table 6 Costs of Aadhaar										
(Rs crore at constant prices)										
	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
Roll-out (percent)	0	0	-	2	5	10	20	40	80	100
Aadhaar costs ^a	270	1200	2182	2060	2379	2193	2102	1000	1000	1000
Total exp.	270	1200	2182	2060	2379	2193	2102	1000	1000	1000
Integration costs	0	0	28	136	232	308	502	753	931	945
MNRGS	0	0	6	85	186	213	246	326	372	352
PDS	0	0	3	77	153	165	191	210	232	212
Fertiliser subsidy	0	0	1	62	123	126	131	119	124	104
LPG subsidy	0	0	32	130	333	486	772	1,213	1,446	1,416
Education	0	0	5	34	89	118	159	242	297	303
IAY	0	0	8	90	201	243	320	409	469	476
Other schemes	0	0	8	90	201	243	320	409	469	476
Total costs	270	1,200	2,265	2,674	3,696	3,853	4,423	4,272	4,871	4,828
a. Till 2011-12, the actual costs are presented. For subsequent years, the estimated costs are considered										
										4,835



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Notes

¹For example, Kapur and Chowdhury (2011) suggest that between 2006 and 2010, 37 lakh ration cards issued to households in the states of Bihar, Madhya Pradesh, Uttar Pradesh and Orissa were fake or had been issued to “ineligible” households. Similarly, PTI (2011) suggests that Karnataka has at least 30 lakh fake ration cards. Elsewhere, Radhakrishnan (2010) says that eight lakh bogus ration cards were detected and cancelled in 12 districts in Tamil Nadu.

²A more recent study (Khera, 2011a) calculates that in the year 2007-08, the proportion of food grains that did not reach households may have been lower than what is suggested in GOI (2005b), at 44 percent. However, Khera (2011a) does not suggest what proportion of this leakage is due to identification errors

³See CPME (August 2008); Dréze *et al.* (2007), Dhuru (2007); CDE (2007b,a)

⁴Andhra Pradesh, Bihar, Gujarat, Madhya Pradesh, Rajasthan, Tamil Nadu, Uttar Pradesh and West Bengal

⁵For instance, Chauhan *et al.* (2009) found cases where workers performed one day’s job, but their attendance was marked for 33 days. 32 days of wages were being misappropriated by people associated with the delivery of the scheme.

⁶Also see Dréze *et al.* (2007) where it was found in a survey of three districts of Orissa that only 60 percent of the days of employment recorded in the muster rolls could be confirmed by the concerned labourers, thus implying massive discrepancies in wage payments.

⁷In a survey conducted in 5 districts, it was found that in 86 percent of cases muster rolls were fabricated using forged signatures/ thumb impressions. Discrepancies were also noted between muster roll records and actual payments in five Gram Panchayats from four districts. The amount actually paid was just 18 percent of the amount paid according to muster rolls.

⁸In a survey conducted in Ranchi district in Jharkhand, only 67 percent of the wage payments entered in the muster rolls were found to be genuine.

⁹In 9 randomly selected sites in Surguja district in Chattisgarh, it was noted that 95 percent of the money paid to labourers according to the muster rolls actually reached them. However, the surveyors noted that they were able to verify the muster roll details for only 109 of the 270 randomly selected labourers as other labourers were not available or could not recall the payment details. It is however not clear whether this non-availability could be on account of ghost workers.

¹⁰The leakage estimate available in any one source is not representative of all states. The numbers range from 5 percent in Chattisgarh to almost 80 percent in Uttar Pradesh. We have assumed that the 31 states are broken into three equal categories: Worst performing (with leakage of 35 percent), reasonably performing (with leakage of 15 percent) and best performing (with leakage of 5 percent). The weighted average of the leakage is about 18 percent. For our analysis, we reduce the estimate to 12 percent.

¹¹The expenditure amounts as available at GOI (2011i) were updated only till 31 December 2011. The teacher salaries have been pro-rated to estimate the expenditure for the entire financial year from April 2011 till March 2012.

¹²The aggregate figure of Rs. 4,519 crores for scholarships is based on the Expenditure Budget (2012-13) for scholarships provided by the Ministry of Social Justice and Empowerment (GOI, 2012e), Ministry of Tribal Affairs (GOI, 2012f), Ministry of Minority Affairs (GOI, 2012g) and Ministry of Human Resource Development (GOI, 2012h).

¹³This includes the amount for Annapurna, where disbursement is not through a bank account, but since a breakup of the allocation is not available, we use the full amount

¹⁴These states are Uttar Pradesh, Uttarakhand, Bihar, Jharkhand, Madhya Pradesh, Chhattisgarh, Assam, Rajasthan, Orissa and Jammu & Kashmir.

¹⁵See GOI (2011d) for population distribution across LPS and HPS

¹⁶GOI (2011c) points out that over 8.5 lakh ASHA workers have been trained since 2005-06. However, the GOI (2011g) numbers are assumed for this calculation

¹⁷In the latest budget (GOI, 2012k), the central government has approved a cumulative number of 14 lakh Anganwadi Centres/Mini Anganwadi Centres.

¹⁸For a detailed exposition of this price theory, see Nambiar and Poess (2011).

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ANNEXURE - A-20

Recd 12/6/2013 Speedpost

F.No. 13012/32/Legal/2013-UIDAI/6885
Government of India
Planning Commission
Unique Identification Authority of India

3rd Floor, Tower-II, Jeevan Bharti Building
Connaught Circus, New Delhi, 110001
Dated the 28th May, 2013

To,
Qaneez-e-Fatemah Sukhrani
A/3, Hermes Drome
211/3/1B Viman Nagar
Pune, Maharashtra - 411014

Subject :- **REPRESENTATION - AADHAAR SCHEME : MS. QANEEZ-E-FATEMAH SUKHRANI**

Please refer to your representation dated 19th April, addressed to Chairman, UIDAI.

2. In this regard, point-wise reply to the issues raised in the Representation at subject reference is given below :-

3. **Point 1, 2 & 3.** Implementation of the UID project is pursuant to the exercise of the executive powers of the Government of India and does not circumvent legislative process. There are innumerable instances of policy being driven by executive action rather than by legislation. The UID project is just one of those instances. Neither is it unconstitutional nor illegal. Opinion of the Law Ministry and the Attorney General has been taken in this regard, and the considered view was that there is nothing illegal in the continuation of functioning of the Authority.

4. With regard to the observations/recommendations of the Standing Committee of Finance, they were related to certain Legal and Procedural issues contained in the NIDAI Bill and the same is under the examination of the Government. As regards the representationist's claim regarding the NIDAI Bill, allegedly providing an ex post facto blanket approval and regularisation of all the activities undertaken by it before the approval from Parliament. It is stated that this is to provide continuity in the Project.

5. **Point 4.** The definition of resident is in conformity with the definition in "Population Register" as given in Rule 2(l) of the Citizenship (Registration of Citizens and Issue of National Identity Cards) Rules, 2003 which have been framed under the Citizenship Act, 1955. It is also to be noted that the Bill clearly provides that the Aadhaar number or authentication thereof shall not by itself, confer any right of or be proof of citizenship or domicile in respect of the Aadhaar number holder.

6. **Point 5, 6 & 7.** In the absence of any specific legislation, offences will continue to be dealt with under the general laws like the Indian Penal Code, the Information Technology Act, 2000 etc. Measures against the defaulters can be taken under these existing laws.

7. **Point 8.** Enrollment for Aadhaar is voluntary. It is however, the policy decision of the concerned Departments/State Governments to link the benefits alongwith the Aadhaar number and as such, UIDAI has no comments to offer.

8. **Point 9.** Data protection features have been included in the architecture of the UID Project and as such, the interests of the residents are taken care of. At the cost of repetition, it stated that in the absence of any specific legislation, offences will continue to be dealt with under the general laws like the IPC, and the IT Act and measures against defaulters can be taken under these existing laws. UIDAI also has its data sharing policy that seeks security and privacy of the data being maintained.

9. **Point 10 & 11.** With regard to the petitions allegations on the Introducer system of verification, it is stated that the mere details of the introducer are not adequate. The introducer has to personally certify about the details of the introduced resident. Further, merely having the Aadhaar does not entitle the resident to avail of direct benefit transfer schemes. This will require the concerned Departments' accepting the claims of the resident.

As regards, the representationist's allegations that the introducer system is the easiest way for an illegal immigrant to become a tax paying citizen of India, UIDAI states that this is the representationist's own interpretation and UIDAI, as such, has no comments to offer.

Aadhaar numbers are issued to all residents as a developmental initiative. The key role of UID number is thus, that of an enabler – a number that helps Governments design better welfare programmes, enables residents to access resources and services more easily wherever they live, and allows agencies and programmes – such as the NREGA, PDS, SSA – to deliver benefits and services effectively and transparently.

10. **Point 12.** In this regard, it is stated that the Representationist has referred to a decision taken by the Ministry of Petroleum and Natural Gas, and as such, UIDAI has no comments to offer in this regard.

11. **Point 13.** The RGI is mandated to create a NPR of persons usually residing in India and issue National Identity Cards under the Citizenship (Registration of Citizens and Issue of National Identity Cards) Rules, 2003 read with the Citizenship Act, 1955. The identity Cards will also carry the Aadhaar numbers.

The purpose of the UID project is to promote inclusion and benefit to marginalized sections of society who have no formal proof of identity vis-à-vis the State and hence experience difficulties in accessing various welfare schemes that are implemented by the Government of India and State Governments. The key role of UID number is that of an enabler - a number that helps Governments design better welfare programmes, enables residents to

access resources and services more easily wherever they live, and allows agencies and programmes - such as the NREGA, PDS, SSA - to deliver benefits and services effectively and transparently. The number will thus be an identity infrastructure, and the foundation over which multiple services and applications can be built for the resident.

12. **Point 14.** It is wrong to state that no feasibility study has been conducted. In this context, the study conducted by the NIPFM is an example of study conducted. The UIDAI website has numerous other reports which address in detail the various aspects of UIDAI project.

The source of the quoted project cost stated in the representation is not known and cannot be commented or replied to.

The UIDAI is enrolling the residents through the multiple registrar model and RGI is one of the Registrars of UIDAI. The Govt. has decided that in states where UIDAI has made good progress or where States/UTs/Administrations have given commitment for Aadhaar and are planning to integrate with various service delivery mechanisms, Aadhaar enrolments will move at full speed. Accordingly, certain states have been specified where the non-RGI registrars of UIDAI can collect data. It has also been decided that the NPR enrolment will continue as envisaged, but if in the course of enrolment, a person indicates that he/she is already enrolled for Aadhaar, the biometric data will not be captured by the NPR. Instead, the Aadhaar number / enrolment number will be recorded in the NPR and the biometric data will be given to the NPR.



(Ashish Kumar)

Assistant Director General

Ph : (011) 23466-828

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ANNEXURE-A-21

COMMENTARY

A 'Cost-Benefit' Analysis of UID

REETIKA KHERA

A cost-benefit analysis by the National Institute of Public Finance and Policy of the benefits from Aadhaar integration with seven schemes throws up huge benefits that are based almost entirely on unrealistic assumptions. Further, the report does not take into account alternative technologies that could achieve the same or similar savings, possibly at lower cost.

A recent study released by the National Institute of Public Finance and Policy (NIPFP) presents an innovative "cost-benefit analysis" of the Unique Identification (UID) or Aadhaar project. This is, in principle, a welcome step towards more informed discussion and greater transparency of this project. On close examination, however, the widely-publicised conclusions of this study turn out to have a fragile basis.

In a nutshell, the NIPFP report covers the potential use of Aadhaar in seven major welfare schemes and subsidies. These are the public distribution system (PDS), Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA, or simply NREGA), school education (including teacher salaries, mid-day meals, textbooks and uniforms), fertiliser subsidy, liquefied petroleum gas (LPG) subsidy, Indira Awaas Yojana (IAY), and payments in other schemes (pensions, Janani Suraksha Yojana, accredited social health activists and the Integrated Child Development Services). It estimates that linking these programmes to Aadhaar will lead to a "saving" of Rs 1 lakh crore over 10 years (Mathew 2012), and that after accounting for the costs of integration with Aadhaar the internal rate of return of the project will be over 50%.

Benefits from UID-Integration

The main question pertains to the benefits of integration with UID. The NIPFP report recognises that not all leakages in these programmes can be fixed by UID-integration. Only "bogus" beneficiaries,

i.e., ghosts (e.g., a dead person whose name remains on government records) and duplicates (one person getting benefits twice), can be weeded out.¹ Estimates of bogus beneficiaries are available for only two of the seven programmes considered in the NIPFP report (the PDS and NREGA).

For the PDS, the report uses the leakage estimates from a report of the Planning Commission published in 2005, based on the outdated data pertaining to 1997-2001.² That study estimated that 57% of PDS grain is diverted, of which, 17% was attributed to "ghost cards". The definition of ghost cards includes (a) below the poverty line (BPL) cards that are not in possession of their owners, and (b) the excess of the total number of ration cards over that of total households (ibid: 82). It is worth-mentioning here that PDS entitlements are fixed per household. It is quite possible that in some cases several members of a joint household obtained separate ration cards for their respective nuclear families. Whether this should count as a case of "ghost" cards, as the Planning Commission report assumes, is not entirely clear. In any case, there is no reliable and up-to-date estimate of the share of bogus cards in circulation.

For NREGA the report assumes that UID integration will lead to savings of 12% of total expenditure – 7% from "automation of muster rolls" and another 5% from linking NREGA bank accounts to Aadhaar (without explaining how these would curb corruption, e.g., how automation of muster rolls helps to reduce leakages). If the idea is that some people who do not work manage to have their names on the muster rolls and wages are credited to their accounts (i.e., are "bogus" beneficiaries), then this

I would like to thank Jean Drèze for helpful feedback.

Reetika Khera (reetika.khera@gmail.com) is at the Institute of Economic Growth on a ThinkTank Initiative Associate Professor Fellowship.

COMMENTARY

fraudulent practice can continue even if muster rolls are automated.

The real protection from wage corruption in NREGA comes through bank accounts as it separates the payment agency from the implementing agency.³ With bank accounts, wage corruption can still continue in three forms: collusion (where the bank staff and NREGA functionaries collude to inflate work attendance and credit wages into accounts of people who have not worked), extortion (when an official forcibly takes money from NREGA workers after it has been withdrawn from the bank account) and deception (when a worker's account is operated by NREGA functionaries without his or her knowledge). In the first two cases (collusion and extortion), linking accounts to UID will not help to reduce corruption. Only in cases of deception (or "identity fraud") can biometric authentication at the stage of withdrawal of wages help.⁴ Estimates of the breakdown of the different types of corruption are not available.

The NIPFP report also recognises that estimates of duplicates and ghosts are not available for many schemes. What is the correct way to make assumptions on benefits of UID-integration in such cases? There is no easy answer to this, so what the NIPFP report does is either to apply the estimates of leakages due to bogus beneficiaries for one scheme to another (e.g., in the case of fertiliser and LPG subsidies, the estimates applicable to the PDS are used),⁵ or – for the remaining schemes – to apply an arbitrary rate of 7-10%.⁶

Although these assumptions are termed "conservative" (Patnaik 2012), available evidence – patchy as it is – suggests otherwise. For example, an estimate of fraud in six pension schemes has been made by the Society of Social Audit Accountability and Transparency (Department of Rural Development, Government of Andhra Pradesh) for July-October 2012. Six types of corruption are documented: "dead persons", "dual beneficiaries", "partial payments", "ineligible beneficiaries", "not paid but drawn" and "other". These social audit reports suggest that the total discrepancies in disbursement of pensions are around 2%.

Discrepancies due to dead beneficiaries and dual pensions – problems that Aadhaar can fix – are a subset of this 2%. The rate assumed by the NIPFP report is 7%.

While the report admits that there are no "robust" estimates of duplicates and ghosts, it provides little justification for the rates assumed in the cost-benefit analysis. Anticipating questions about the assumptions, the anonymous authors of the NIPFP report do upload the spreadsheet with their calculations, inviting readers to "modify the assumptions and explore alternative outcomes".⁷

Alternative Technologies

Biometric technology (of which Aadhaar is one variety) can help when there are bogus beneficiaries – ghosts or duplicates. Other, cheaper technologies (e.g., computerisation) can also help weed out bogus cards and help plug other leakages. Tamil Nadu has a fully computerised PDS database and overall PDS leakages are very small (4% in 2009-10). In states such as Chhattisgarh, overall leakages in the PDS have fallen from 50% (in 2004-05) to 10% (in 2009-10) without any use of Aadhaar, but through computerisation and other measures (Khera 2011b). The question a cost-benefit analysis should really address is whether Aadhaar is more cost-effective than these and other alternatives, including local biometrics (used in Andhra Pradesh). This question is raised in passing, but not answered in the NIPFP report (Patnaik 2012).⁸

Concluding Comments

In short, NIPFP's widely publicised cost-benefit analysis of UID is far from persuasive. It is almost entirely based on assumptions, not estimates, of the benefits of integration with Aadhaar. Where estimates (not assumptions) of bogus beneficiaries are used, they are unreliable or out of date. Further, the report does not take into account alternative technologies that could achieve the same or similar savings, possibly at lower cost.

The report also briefly considers the "costs" of integration of these schemes with Aadhaar. However, it makes no mention of the potential disruption that the integration exercise might cause.

Disruption could be at the stage of integration (e.g., old age pensioners may be unable to complete the required formalities) or during operations (e.g., software, connectivity or biometric failures). By assuming, with touching optimism, that the UID system is reliable and seamless, the report fails to address crucial concerns that have been raised about this adventurous project.

NOTES

- 1 For a detailed discussion on the types of corruption Aadhaar can weed out, see Khera (2011a).
- 2 "The reference period for the study was from 1997 to 2001 – the four-year period of the operation of TPDS. The household level information referred to the period from May to December 2001" (Planning Commission 2005: 13).
- 3 This practice has been in operation since 2008, except in Tamil Nadu. A few remote pockets were allowed to return to cash payments by Minister of Rural Development Jairam Ramesh in late 2011.
- 4 Note also that once those who were using "deception" to defraud the system, may turn to extortion and collusion once identity fraud becomes impossible.
- 5 The report states, "Using the estimates for PDS and MGNREGS as benchmarks, we assume that using Aadhaar-enabled system would result in a benefit of 7% of the total value of subsidies" (p 11) and "in the absence of such robust studies estimating the leakage from the system towards commercial use, we assume that use of Aadhaar would result in a benefit of 10% of the total value of the subsidy (similar to PDS)" (p 12).
- 6 See, for instance, p 10 where the report says, "In the absence of data on the extent of leakages that exist on account of fake and duplicate beneficiaries, we have assumed this figure to be 10% of the total expenditure incurred by the government on books and uniforms for school children".
- 7 Initial attempts (twice, at a three-day interval) to download the spreadsheet revealed that the spreadsheet was password protected. Now one out of seven worksheets can be modified. The practice of posting reports without author names is also observable with the documents on NREGA and PDS on the Unique Identification Authority of India (UIDAI's) website.
- 8 The cost-benefit work has been done by the MacroFinance group at NIPFP, a government-funded institution. The group has a project from UIDAI on financial inclusion which is perhaps why they focus only on UID. At the time of writing, no other paper on UID or financial

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inclusion was available on their website, raising the question whether the cost-benefit analysis itself was effectively sponsored by the UIDAI. Even if that is not the case, funding from the UIDAI to the MacroFinance group does create a possible conflict of interest, which would merit at least a short disclosure in the report.

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DISCUSSION

Response to 'A Cost-Benefit Analysis of UID'

SUMATHI CHANDRASHEKARAN, SHEKHAR H KUMAR, SMRITI PARSHEERA,
ILA PATNAIK, MADHAVI PUNDIT, SUYASH RAI, AJAY SHAH

A debate on the study
"A Cost-Benefit Analysis of
Aadhaar" conducted by the
National Institute of Public
Finance and Policy which
was discussed in the EPW of
2 February 2013.

This is in response to Khera (2013) ("the comment"), which criticises a cost-benefit analysis of Aadhaar (NIPFP 2012) ("the study") conducted by the National Institute of Public Finance and Policy (NIPFP).

The comment repeatedly takes qualifying statements from the study that were explicitly presented as limitations to the research and offers them to its reader as failings of the study. To a person reading only the comment and not the study, it would appear as though the authors of the study were either unaware of these impediments, or were trying to hide them.

The comment's central theme is to fault the study for being based on "unrealistic" assumptions. The study is elaborately careful in pointing out its limitations. For instance, it acknowledges that a "full-fledged cost benefit analysis of Aadhaar" is difficult for two reasons: first, many gains from Aadhaar are difficult to quantify because they are intangible; and second, even if in specific schemes there may be tangible benefits, the information available on those schemes does not permit a precise quantification of those benefits. The comment's charge of the "conclusions of this study [having] a fragile basis" chooses to expressly ignore what is already stated in the study, and misleads a reader into believing that the basis of the study was deliberately misrepresented.

Faced with limitations in the existing statistical system and research literature, our strategy was to obtain a conservative result through two elements. First, many elements of the benefits which are not presently quantifiable are set to zero. Second, assumptions are shaded downwards when compared with the values seen in published studies,

in acknowledgement of the weaknesses of the existing published studies.

1 Specific Points

We now turn to some specific points raised in the comment. The comment raises doubts about the manner in which integration with Aadhaar can help curb corruption in the delivery of benefits under the Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA). For NREGA to work effectively, two elements need to be addressed: there should be a mechanism to identify actual workers and a way to make accurate wage payments to them. Automating the maintenance of muster rolls, and carrying out authentication through Aadhaar, will help deal with corruption arising from embezzlement of funds on account of fake names and inflated days of work. This, coupled with use of Aadhaar-enabled bank accounts, will ensure that the wages are paid directly to the bank account of the worker whose presence is recorded in the muster rolls.

The comment identifies three forms of wage corruption in NREGA – collusion, extortion and deception – and concludes that Aadhaar can help with only the last category, where a worker's account is operated without her or his knowledge. However, this overlooks the benefits that may emerge from real-time monitoring of NREGA through Aadhaar. The study envisages that Aadhaar can be used not just to monitor the number of workers engaged in a project but also to sanction and track the materials used for the work. By comparing actual project performance with the number of workers and work days required, and the quantity of materials needed, the government will be better positioned to check the problem of collusion (i.e., wage payments should correspond with the actual completion of work).

The comment also suggests that the assumptions in the study are not "conservative". The comment points to a social audit in Andhra Pradesh¹ that suggests 2% leakage, but critiques the study for assuming a national leakage of 7%. The study has steered away from relying

Email ajayshah@mayin.org

clusively on analyses of isolated and small sample sets. Doing so would have come with the obvious risk of failing to take into account the differences in the level of development, government policies and use of technology within and across states in India.

The comment has similar concerns with the study's assumption of an aggregate benefit of 12.5% through a reduction in leakages in the public distribution system (PDS) due to the use of Aadhaar. In this regard, the comment points to a report that argues that leakages from PDS were relatively lower in Tamil Nadu (4%) and Chhattisgarh (10%). Here, the comment once again selectively represents information to its reader. It is well documented in Indian public policy literature that Tamil Nadu and Chhattisgarh have performed relatively better than other states in the implementation of PDS. For instance, the commentator herself (Khera 2012) points out that Tamil Nadu and Chhattisgarh have achieved significant reduction in leakages through the use of computerised databases, but then goes on to conclude that the overall diversion rate in the PDS remains at 41%.

Here, too, the study assumed an average value for leakages on a national basis, reflecting a middle ground between states that might display considerable extremes in service delivery performance. The comment is unreasonable in suggesting that the study's assumption of 12.5% benefit from introducing Aadhaar in PDS is off the mark.

The comment criticises the study for having relied on "outdated data",² failing to recognise two issues in this regard: first, the study could not have relied on contemporary data for some of the assumptions, as leakage studies that are nationally representative do not exist. Second, the study was entirely aware of the age of some of the data, and as well as the positive changes that may have occurred since then, and had correspondingly discounted the estimated leakage in certain schemes (NREGA and PDS) downwards by a quarter from the estimates in the literature.

The comment argues that the study has failed to account for "alternative technologies that could achieve the

same or similar savings". In doing so, the comment fails to appreciate the primary objective of the study: its central question was to ask whether the expected benefits of Aadhaar outweighed its total expected costs. Such a question methodologically leads to a cost-benefit analysis, and not a cost-effectiveness analysis, where the former calculates and compares the costs and benefits of a single (policy) intervention, and the latter calculates and compares the costs and benefits of two or more interventions. The study explicitly aspired to being a cost-benefit analysis, and should not be criticised for not conducting a study of the relative benefits of different forms of service delivery.

The comment also refers to the lack of author names in the study but the study can hardly be accused of having been brought out in anonymity. NIPFP is a prominent think tank, which regularly conducts and publishes influential research on public finance and policy, as does the Macro/Finance group within the institute. The group's ownership of the study was prominently displayed on the top-right corner of the title page of the study. The group website, where a copy of the study can be downloaded, also lists the names and designations of all the members of the team, the authors of this reply being some of them.³ The absence of individual names does not take away from the stated ownership of the study, and is in line with the practice followed by top research institutions worldwide.

The commentator's last note is well taken, and a disclosure of the group's research affiliations with the Unique Identification Authority of India (UIDAI) should preferably have been made in the study itself. At the same time, the group's affiliations are public knowledge on its website.

2 Conclusions

In an ideal world, it would be possible to precisely quantify the costs and benefits of building Aadhaar. In the world that we live in, such precise quantification is not possible owing to weaknesses of information and research. This problem is not unique to Aadhaar: most important questions in public policy in India are hard to analyse owing to the low quality

of the statistical system and available economic research.

This leaves two alternatives. One strategy that was undertaken by our group is that of doing careful analysis that is mindful of difficulties in available research and makes conservative assumptions every step of the way. The other strategy is that of adopting policy positions without analysis.

The path to rational policy analysis lies in the former. The decision to build Aadhaar must necessarily be studied to the best extent possible, in order to better evaluate the trade-offs. Parliament has rightly asked for a cost-benefit analysis of Aadhaar (Standing Committee on Finance 2011-12, p 23). Similar calculations should be undertaken for all spending decisions of the Indian state. The study attempts to make the best use of reliable available data, and clearly acknowledges the need to improve the analysis as more knowledge becomes available.

In the debate on the Aadhaar project, there are strong views on both sides. When our group embarked on the cost-benefit analysis of Aadhaar, we were keen to make a break with the existing discourse, to carry the debate forward towards more rational analysis. The centrepiece of the study is a spreadsheet, which implements the entire analysis, which has been released in the public domain.

In this spreadsheet, all the calculations and assumptions are laid bare. It is possible for readers and critics to modify the key assumptions, particularly as and when fresh knowledge and information is generated, to study the change in results. The title page of the study has the following note: "the spreadsheet for the cost-benefit analysis, with the details of the assumptions and calculations has been released on the web at <http://goo.gl/JzwaV>. This will assist other researchers

Style Sheet for Authors

While preparing their articles for submission, contributors are requested to follow EPW's style sheet

The style sheet is posted on EPW's web site at <http://www.epw.in/terms-policy/style-sheet.html>. It will help immensely for faster processing and error-free editing if writers follow the guidelines in the style sheet, especially with regard to citation and preparation of references.

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and policy analysts to modify key assumptions and explore alternative outcomes".⁴

For substantive policy analysis and debate about the cost-benefit analysis of Aadhaar, careful work at the level of this spreadsheet is required. The group would be delighted if those interested in public policy would delve into the spreadsheet, modifies assumptions based on new research and information that has come out, and write new policy papers using it.

NOTES

- 1 The comment refers to "an estimate of fraud in six pension schemes .. made by the Society of Social Audit Accountability and Transparency (Department of Rural Development, Government of Andhra Pradesh) for July-October 2012". A citation for this estimate would have been

helpful. However, the estimate may not have been suitable for the study mainly because it would not be considered a representative estimate for the cost-benefit analysis. It is also useful to note that the study was published in November 2012, and research for the study would have concluded well before information about the estimate became available (the estimate tracks fraud from July to October 2012).

- 2 In particular, the comment refers to a 2005 study by the Planning Commission on PDS (Government of India 2005)
- 3 See <http://macrofinance.nipfp.org.in/people.html>
- 4 The comment was concerned that only one worksheet in the spreadsheet attached to the study could be edited. This was the objective to focus the analysis on the key assumptions and explore how they could be modified.

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On the NIPFP Response

REETIKA KHERA

Before I take issue with some of the points made in the NIPFP response to this comment, it may be useful to recapitulate a few points on which there appears to be agreement: (1) Aadhaar-integration can resolve only certain types of leakages, for which reliable data is unavailable; this was not adequately accounted for in the cost-benefit exercise; (2) the NIPFP study has a fragile basis (in particular, the estimated "rate of return" on unique identification (UID) number builds on a whole series of ad hoc assumptions); (3) the study is conducted by a research group that receives funds from Unique Identification Authority of India (UIDAI), "without disclosure".

In spite of these limitations, the conclusions ("50% rate of return") were handsomely played up in the media, including a newspaper in which one of the principal authors is a consulting editor (see "Large Returns Expected from Aadhaar", *Indian Express*, 10 November 2012). The main purpose of the comment was to draw attention to the details of the NIPFP study which, unfortunately, were swept aside in the public discussion. Instead, the ad hoc

assumptions were repeatedly termed "conservative" or "modest".

On Benefits: Lack of Data

The NIPFP study and the response use "overall leakages" (total corruption due to, say, leakage at the state food depot, at the ration shop, due to duplicates, in the case of the public distribution system (PDS)) and "Aadhaar-relevant leakages" (i.e., leakages that Aadhaar-integration can resolve, e.g., duplication) interchangeably. Using estimates of overall leakages has the effect of exaggerating the benefits of Aadhaar-integration, so the assumptions are not "conservative".¹ When estimates of Aadhaar-relevant leakages exist, the study and response admit, they are outdated.²

The NIPFP response states "The study has steered away from relying exclusively on analyses of isolated and small sample sets". I would like to draw attention to the evidence that the NIPFP study relied on. For ASHAs, Janani Suraksha Yojana and scholarships, no analysis, large or small has been used. For the Indira Awaas Yojana, the three analyses relied on exclusively are a *Times of India* news report, a press release based on a discussion in Parliament

and a "Scheme Brief" by the Institute for Financial Management and Research (IFMR). Interestingly, the corruption estimate in the IFMR brief cross-refers to the *Times of India* article (apart from a CAG report)! Similar issues arise with the Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) data which generally relies on small, often single-state, samples drawn from one to three districts. An all India average of "overall leakages" (not Aadhaar-relevant leakages) relies on these small sample estimates. Nationally representative estimates of overall leakages using National Sample Survey Office data were published in 2011 (see Imbert and Papp 2011).

The fact remains that, at the moment, we do not have reliable estimates of "Aadhaar-relevant leakages" for most schemes. This is acknowledged in the NIPFP study and response.³ The lack of reliable information on these issues was the crux of the problem and the main point of my comment.

Other Issues

The NIPFP response claims that I am selective in citing PDS corruption data, even though they themselves extensively cite my estimates of PDS (overall) leakages published elsewhere. All of my estimation of corruption in several welfare schemes is in the public domain. Further, the low leakages in Chhattisgarh and Tamil Nadu were discussed in the context of

DISCUSSION

he availability, and benefits, of alternate technologies (end-to-end computerisation, in this case, used in these two states).

The NIPFP response brushes aside the question of alternate technologies. But as they ascribe benefits that accrue from other technologies (e.g., real time monitoring of the number of labourers requires computerisation and is possible without Aadhaar) to Aadhaar-integration, they have to take alternatives into account. Further, the NIPFP response states that the government had to undertake a cost-benefit analysis after the National Identification Authority of India Bill (NIDAI Bill) was rejected in totality by the relevant Standing Committee (on Finance). Apart from the oversight regarding the disclaimer on the "affiliation" between UIDAI and the Macro/Finance group of NIPFP, a larger question on the process of policymaking also arises.⁴

The authors' proposal on material corruption in NREGA is without merit. They suggest controlling material corruption in NREGA by linking material costs with number of labourers. The share of material in total costs depends, not on the number of labourers (as they suggest), but on the nature of the project. Material costs per

labourer are very high for wells, but close to zero for land-levelling. If, as NIPFP proposes, there should be a fixed ratio between labourers and material costs, then in the case of wells, their proposal will lead to collapsed wells and for land-levelling, it would open the door to material corruption.⁵

Even on the cost side, which I completely ignored earlier, there are problems. The NIPFP study budgets Rs 1,200/year for connectivity (Table 2, NIPFP study) for payments of each Aadhaar-enabled scheme. As each authentication is likely to cost Re 1, only 1,200 beneficiaries per gram panchayat are envisioned to be paid each year. This translates to 100 transactions each month – which is certainly too few for the PDS and NREGA.

In Conclusion

I agree with the NIPFP authors that the way forward is "careful analysis that is mindful of difficulties in available research". When available research is fraught with problems acknowledged throughout the NIPFP study and response, the "path to rational policymaking" lies in doing the hard work, i.e., undertaking more and

larger studies to estimate Aadhaar-relevant leakages.

Email reetika.khera@gmail.com

NOTES

- 1 Here is an example "Automating the maintenance of muster rolls, and carrying out authentication through Aadhaar, will help deal with corruption arising from embezzlement of funds on account of fake names and inflated days of work" "Inflated days of work" is due to collusion which is not an Aadhaar-leakage. "Fake names" can either be non-existent persons with bank accounts operated by living persons (highly unlikely) or collusion (local officials collude with a worker to defraud the system without doing any work).
- 2 To apply a "discount" factor (to account for recent improvements), also requires some factual data which are not available
- 3 For instance, in the NIPFP response they admit that "the study could not have relied on contemporary data for some of the assumptions, as leakage studies that are nationally representative do not exist". (This also contradicts an earlier statement that they "steered away from relying exclusively on analyses of isolated and small sample sets")
- 4 I leave aside the minor issue of authorship (which the NIPFP response concedes) only by stating that every other publications of the group authorship has been clearly stated on their website
- 5 Further, there are peaks and ebbs in material use for any work

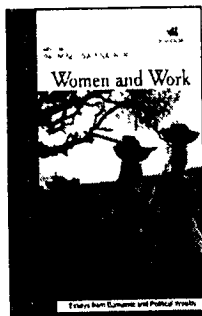
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Women and Work

Edited by

PADMINI SWAMINATHAN



The notion of 'work and employment' for women is complex. In India, fewer women participate in employment compared to men. While economic factors determine men's participation in employment, women's participation depends on diverse reasons and is often rooted in a complex interplay of economic, cultural, social and personal factors.

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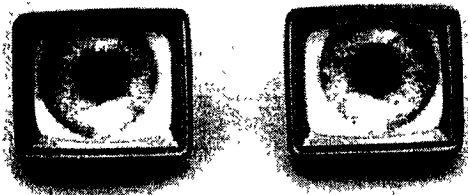
22 August 2013

Guess who can see your tax data

Before, it might not have been obvious. But now, a private firm

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by Harish Singh Bhatia, Deputy Editor, The Hindu
A few months ago in April, a number of news reports announced that the Government has decided to set up a special purpose vehicle (SPV) to provide information technology support to various stakeholders under the proposed Goods and Services Tax (GST). The GST is a value-added tax that is expected to replace all indirect taxes on goods and services imposed by the Centre and Indian states. The SPV, termed the GST Network (GSTN), is seen as an important step in ushering in a little understood but much touted reform, because it will make it possible to bring together taxation data from the Centre and states that was so far processed separately.



But the innocuous language hides the fact that we are soon headed for an entirely different paradigm as far as our tax data is concerned. The GSTN is already in place as a private limited company despite strong opposition by senior officials of the Central Board of Excise and Customs (CBEC) and Naveen Kumar, former chief secretary of UP, has been appointed chairman. The body will control all new indirect tax data from the Centre and states and will have access to past data as well. The charges it will impose for processing this data will be the revenue that sustains its operations.

Since the Finance Ministry has recently directed the CBEC and Central Board of Direct Taxes (CBDT) to sign an MoU for the sharing of data, GSTN will be able to access and process the entire tax data of the country, both of direct and indirect taxes. Obviously, this should have been a matter for far more public debate than it has evoked, but the actual process of setting up GSTN is far more alarming than this broad outline. Since it will have to be in place before the GST is rolled out, the Finance Ministry has asked the CBEC to hand over the processing of data for tax surveillance to GSTN, which could ensure a revenue stream as soon as it takes over these functions.

As a result, this innocuous sounding body will be the sole integration hub for linking and processing all of India's tax data, something that has never been attempted by the Government, leave alone a private entity. And this approach appears to have no parallel anywhere in the world. This is being done in the absence of any security or privacy provisions in place. In fact, no serious discussion or planning of any sort on security or privacy implications has been undertaken. Some of the most sensitive financial data in the country — not individual firms

and the Government—will soon be in the hands of a private entity which has not even conceptualised its approach to data security.

HISTORY

In January 2011, the Technology Advisory Group for Unique Projects (TAGUP) headed by Nandan Nilekani recommended the setting up of five infotech intensive financial projects—for the Income Tax Department, National Pension Scheme, Reserve Bank of India, and for tracking government expenditure and GSTIN for the GSI. A similar structure for each of the five was proposed: a not-for-profit Section 25 company with a self-sustaining revenue model, where the Government's holding would be restricted to 49 per cent and private institutional holding set at 51 per cent.

While Nilekani did not want to go on record on the issue, I did meet GSTN Chairman Naveen Kumar at Hotel Janpath in a room at the end of a long corridor that serves as GSTN's office premises. He was quite open about the need for such a private body: "We are basically an IT company. We will build infra structure, operate and maintain it. This sector requires very high salaries and we can hire the best people from the sector. Then there is the question of the number of rules and regulations in government. Financial management norms have to be observed. These are quite time consuming. Doing anything takes time. We need to make records, observe rules, follow procedures, follow tendering methods, undergo vetting by the CAG, CVC and be under the CEC. Here we are not bound by rules, we can work faster, be more efficient."

Whatever the efficiency argument, the not-for-profit structure means that before the company can sustain itself by levying user fees, it needs funds to hire the staff Kumar needs. Private investors—Housing Development Finance Corp Ltd, HDIC Bank Ltd, LIC Housing Finance Ltd, ICICI Bank Ltd and NSI Strategic Investment Corp Ltd—have no incentive to provide the necessary money. Thus, GSTN has been set up on equity of just Rs 10 crore and the Government has provided it a one-time grant of Rs 315 crore. Effectively, then, the Centre has funded a start-up that it does not even have a majority control of.

CONTROVERSIAL FUNCTIONS

Despite the money, since GSTN is already in place as a self-sustaining body, it needs sources of revenue other than those that would be eventually generated from receiving and processing GST data. These, according to the Empowered Group on IT Infrastructure for GSI headed by Nilekani, will include registration—"there is an urgent need of national 'Unique and Shared Tax Payer registration database. For this purpose, the existing registration details kept at various tax systems can be shared using one existing identifier i.e. PAN. The use of PAN as a common identifier will go a long way in inter-linking various tax systems and in ensuring higher compliance and increased tax revenues—and a Tax Payer Profiling Utility (TPU) which would leverage registration information based on common PAN to offer such services."

In November 2011, when the CBEC was brought fully into the picture, Sheila Sangwan, then Member (Budget and Computerisation), had summarised the problems with the JAT's proposals: "a meeting was held on 14/15 November 2011 in the Chairman's office to discuss the structure and functions of the proposed GSTN. Dr Nandan Nilekani has mentioned as minuted that there is need to go in for the SPV even without GST being introduced. He further stated that it is based on PAN data and inter-departmental sharing of return data which will generate substantial additional revenue because of cross-matching of data. He mentioned that the data matching between the Maharashtra VAT department and that with CBEC has generated additional revenue of about Rs 500 Crore. Here it is important to mention that the successful Tax 360, a pilot initiative implemented in house by the Directorate of Systems (CBEC) where data on registration, returns and payments was collected from the Central Excise, Service Tax, Customs, Income Tax and Commercial Tax Departments of the State of Maharashtra. Having implemented a successful Tax 360 programme which has detected an evasion of about Rs 500 Crore, it is but natural that the Department of Systems can claim the capability to undertake Tax 360. Besides this, Tax 360 is a core function of the Tax Departments. There was unanimity amongst the officers present that the sovereign function to be performed by the tax administration should be kept out of the purview of the GSTN."

If the purpose of setting up the proposed structure for this SPV with the proposed equity is to give operational and financial independence, it is suggested that this operational freedom could be better achieved for a Government SPV through appropriate

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legislation. There are certain concerns regarding the provision of taxpayer data if the proposed GSTN as a private entity were to be made a national repository of data including direct and indirect taxes. The Chief Information Security Officer for CBEC has expressed reservations about the national repository of tax data resting in a private entity, should the GSTN be designated to perform the analytics of data from all agencies including the income tax and Customs. Across the tax administration in the world, the privacy of taxpayer data is accorded utmost priority and it is the practice to house this data in Government hands. Specific attention is also initiated to the fact that the Directorate of Income Tax (Systems) is proposing to create a SPV in the public sector given the sensitivity of their Income Tax returns and payment data.

Sangwan was pointing out that if the CBEC could implement the pilot project by outsourcing computation functions to vendors of its choice, there was little reason for GSTN. Much the same could be done through a government-controlled body that would outsource computing requirements but would not lose control over the data. This would have the advantage of retaining the security and privacy safeguards and legal controls that already exist for such data.

The apprehensions of senior officers of the CBEC at the time were set aside by its then Chairman SK Chel, who did not address the essential question of who would be the repository of the data, and instead wrote that 'With regard to the concern of IT Security, it is not connected to the ownership or the management—Government or non-Government. In fact, the level of security is dependent upon the standards, safeguards and control processes that are put in place by the management. The GSTN could be asked to build necessary safeguards for ensuring the security and privacy aspects. With regard to the legislative route to set up SPV as Government entity, it is in complete contrast to the decisions taken in the past and it would jeopardize the consensus achieved so far and bring the discussions back to square one.'

In other words, security at GSTN was really someone else's worry, and since no one had earlier objected to private control, it was too late to do so now, whatever the apprehensions.

SECURITY IMPLICATIONS

The same TAGUP that conceived of GSTN while discussing the Tax Information Network (TIN) for the Income Tax Department had conceded that 'The Department holds the personal and financial data of taxpayers in a fiduciary capacity and carries out a sovereign function of the State. Therefore, it needs to have control on strategic assets including the software, hardware and the databases as well as exclusive control over use and dissemination of data. It is recommended, therefore, that TIN should adopt the best practices for transparency and privacy as discussed in this report.' It is difficult to imagine that the same principle does not apply to indirect tax data given that this is sensitive information too. But the structure and functioning envisaged for GSTN implies that neither the CBEC nor CBDT would retain exclusive control over the use and dissemination of its data.

To ensure there was no misunderstanding, I asked Naveen Kumar about control of the data. For the GSTN, he said, 'We will start from scratch with our own servers and beginning with a list of dealers we will start building a database of transactions on our system. For this, we do not need additional data from the Customs or any other department.' Clearly then, this data would lie on GSTN servers. They would not be a processing house for data that would be eventually stored on CBEC servers.

What, I asked, if tax profiling was also to be carried out by GSTN? 'We could allow each state and the Centre to access our data and connect it to the data they already have. This would mean that we would need 30 different procedures. That is not efficient, we can do much better. In practice that would mean that we have access to their data.' Earlier this month, the Revenue Secretary directed the Member (Computerisation) of the CBEC and the Additional Secretary (Revenue) to work out a date by which phase II of the pilot project mentioned by Sangwan in her letter is handed over from the CBEC to GSTN. This includes business data profiling—in other words, control over indirect tax data has to go over to GSTN. Moreover, as mentioned earlier, the sharing of data between the CBEC and the CBDT has already been approved by the Finance Minister and an MoU is shortly to be signed.

Asked how issues of security and privacy are to be dealt with in such an eventuality, Naveen Kumar said, 'Security will be set up and rules will be put in place. As for which government laws and legislation or

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other controls will apply to us that will be part of the GST legislation. It is not clear when the GST legislation will be passed, but it is clear that tax profiling and surveillance will be handed over to GSTN within the next few months.

Because of the sensitive nature of such data, the EG report on the GSTN had a separate section on Security, which states that various international standards and best practices may be customized to define a comprehensive certification framework for GSTN SPV. The certificate may include ISO 27001, ISO 15048 (Common Criteria) and BS 25999, which may be made mandatory for GSTN SPV under the agreement between the Government and GSTN SPV.

However, in another 2011 note, Sangwan had said, "Any new agency which is going to be set up will take time to evolve security systems across people, processes and technology." CBFC's ISO 27001 certification process began in 2008 and the final certification was awarded in July 2011. ISO 27001 is an assurance to all stakeholders that CBFC follows a formal information security management process. It took three years for the security paradigm to be in place. It is therefore likely that there is going to be a considerable time lag before such an agency would be in a position to guarantee security standards for such data.

Clearly then, there seem to be two options: one, that GSTN is a private entity dealing with the processing of all tax data as envisaged in law, should be set aside till the matters discussed in detail and the requirements of security and privacy are adequately dealt with; or that we are heading towards a regime where the country's entire tax data—yours, mine, the Tata Group's, Reliance's et al.—will be accessible through a body which will be in no position to guarantee security standards. The latter is the choice the Government seems to have made. It is a frightening prospect, but it does not seem to worry this government or, for that matter, the opposition.


2 comments



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Chetan Patel

This is a highly pertinent issue, but the article is so dense, that hardly anyone would be able to understand it.

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Siddharth Kulkarni

It would be a good idea to lobby for legislation where all "my" data accessed by anyone would be logged and easily presented for inspection by "me" This should especially apply to the Govt officials, private firms, I-T staff and the civilian establishment .

If and when that is established we should be able to conduct citizen audits on the reasons for such access. Otherwise we can be stalked and blackmailed easily for expressing anything against the powers-that-be This is a human rights issue.

RTI activities in this direction are needed at a time when things like PRISM, XKeyscore and the reporting capacities of the state, are making George Orwell's fictional scenes a reality.

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FO to use Aadhaar-based cash transfers in 43 districts by December

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EPFO to use Aadhaar-based cash transfers in 43 districts by December 31

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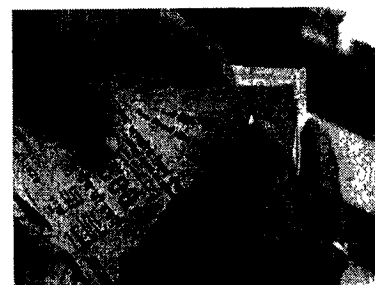
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NEW DELHI If you thought getting an Aadhaar or unique identification (UID) number is critical only for poor households that need government sops, think again. Middle class as well as high-income Indians with salaried jobs and pensioners may need a UID number to tap their retirement savings from 2013.

In a directive issued on December 20, the labour ministry has told the Employees' Provident Fund Organisation (EPFO) to "embed" the Aadhaar number in bank accounts of beneficiaries in 43 districts by December 31.



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"There is an urgent need to seed (or embed) Aadhaar numbers in the (bank) accounts of beneficiaries who receive benefits under the various schemes of EPFO," says the communication from the union labour ministry.

"The ministry has decided that seeding of Aadhaar numbers of beneficiaries be completed by December 31, 2012, for 43 districts, and for beneficiaries in other districts as early as possible," it added. The schemes administered by EPFO include provident fund and pension.

The directive has sent EPFO officials across the country into a tizzy as it already pays benefits directly into bank accounts of employees.

Almost 85% of EPFO payments are made via the National Electronic Funds Transfer (NEFT) programme.

PF offices have been asked to give "utmost priority" to obtaining Aadhaar numbers and savings bank account details of every employee in the 43 districts, which include Mumbai, Hyderabad, Pune, Mysore and parts of Delhi, by December 31.

But it is unclear from the wording of the circular as to what would happen if an employee does not possess an Aadhaar number. There is also no mention of what PF officials must do if employees have no Aadhaar numbers.

The Unique Identity Authority of India (UIDAI) has issued 22 crore Aadhaar numbers so far.

"EPFO has neither informed employers nor has it discussed this move with its board of trustees," said Sharad Patil, secretary general of the Employers' Federation of India. "I thought the government's focus for Aadhaar-based payments was for paying subsidies to the poor, but EPF members are mostly above the poverty line by virtue of their salaried incomes," said Patil, who questioned the inclusion of EPFO schemes in the cash transfer system.

EPFO officials also questioned the rationale of including these schemes, largely meant for the salaried, under the ambit of Aadhaar.

"It is not clear what leakages will be curbed by the use of Aadhaar numbers in our schemes as they already involve direct transfer of benefits into members' bank accounts," said a regional PF commissioner in charge of one of the 43 districts where the government wants direct cash transfers to start by January 1, 2013. Officials pointed out that EPFO's pension scheme, where 83% of an employee's monthly pay is invested, is the only one that involves a government subsidy (of 16% of salary). This subsidy is directly paid to EPFO by the government annually, without any interface with pensioners whose monthly pension is remitted to their bank accounts.

Though the government has acknowledged that EPFO payments are already made through banks, it has asked officials to ensure that Aadhaar numbers of all its 8.15 crore members are added to their bank account details for settling claims.

"All the possible sources like employers, banks and individual pensioners are to be tapped to collect the above," the ministry directive sent to PF offices on December 20 said, adding that special camps may be held in sync with district authorities to collect workers' Aadhaar data.

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The employer body which plans to question the basis of the decision at EPFO's upcoming board meeting of January 15, pointed out that earlier talks between EPFO and UIDAI (the organisation implementing the UID scheme) to use Aadhaar as a permanent account number for EPF members had fallen through as the PF office had expressed doubts about the infallibility of the unique ID scheme.

Another board member had a huge concern about collecting Aadhaar numbers from employees.

"The Aadhaar number itself is yet to get legislative backing as the parliamentary committee examining the relevant law had rejected it. The government needs to make amendments to the EPF law and get parliamentary approval for recognising Aadhaar, before forcing PF beneficiaries to get these unique numbers," said AD Nagpal, general secretary of the Hind Mazdoor Sabha.

"Most EPFO members have multiple PF accounts created after each job change. To curb this problem, we have been trying to give a unique ID number to employees since 2001, but it hasn't worked," Patil said. "But the ministry's directive is focused only on linking payments to Aadhaar numbers," he said.

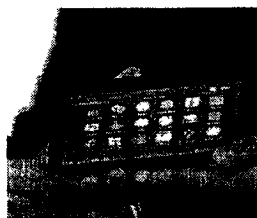
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From Jan 1, UID must for most govt dealings



Monday, Hindustan Times
December 16, 2012

First Published 23:43 IST (16/12/2012)
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Don't have a unique identification (UID) card, it is time to get yourself one. After the Delhi government's revenue department made the UID number mandatory for most transactions, other states have decided to follow suit. Come January 1, and the UID card will be compulsory for accessing most of the government's services.

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The Hindustan Times was the first to report the revenue department's decision to make the UID compulsory for public dealings.

"We have already made it mandatory in some of our districts and from January 1, it will cover all services provided by the revenue department. We have started an awareness campaign," said Dharam Pal, secretary (revenue).

It has also re-designed its forms currently used for property, marriage registration and for other purposes to include the UID number component.

Figures released in August state a total of 1.3 crore Delhiites had enrolled themselves for the project in the first phase. (See box)

The second phase has already started. According to the officials, approximately 40 lakh more people will be added.

"We have started informing people whenever they visit the district offices. Those who still don't have UID cards can get it made from any deputy commissioner's office. We have started special camps for this purpose too," said a senior official.

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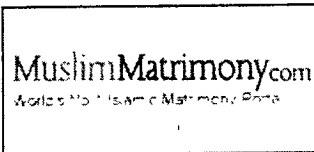


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(ET) If you are looking to register property or your marriage in the capital, biometric identity proof will be mandatory from now. This means, along with the other necessary documentation, an Aadhaar Unique Identification (UID) number or an enrollment slip showing it is on its way will be essential. The revenue department took the lead, making biometric ID proof mandatory for all 20 of its services — ranging from

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registration of property to domicile and SC/ ST certificates — from January 1.

Other departments are set to follow suit soon. Those enrolled under the ongoing National Population Register of the Union home ministry will be considered too.

The launch in the 11 revenue districts on Monday, however, was fraught with chaos.

Applicants clueless about Aadhaar notice

The biometric move was only in the experimental mode so far and most applicants who landed up at the offices of the deputy commissioners on Monday, especially for property-related work, were in for a shock. Several were clueless about the UID

enrollment and some who had enrolled earlier were yet to receive their number.

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Delhi's divisional commissioner and revenue secretary Dharampal has issued an order making it mandatory for all deputy commissioners to seek a UID number or enrollment slip from applicants who crowd these offices in large numbers each day. But notices have only just come up and not everyone in Delhi has enrolled for a UID number.

Trying to quell the confusion, Dharampal said to begin with, of the 1.67 crore population, around 1.37 crore are enrolled for a UID and others would be brought into the fold too. "All those who come to the counters for availing any of the 20 services offered by the revenue department from now on will have to bring along their UID numbers or UID enrollment slips. And if the applicants are not enrolled then they will have to get themselves enrolled for the same. Otherwise they will not get the facility," he said.

Offices of all deputy commissioners have set up centers for Aadhaar enrollment, he pointed out. The east district office, for instance, has set up three more enrollment centres seeing Monday's rush.

Asked how the move would work, since it isn't mandatory under the law to enroll for Aadhaar, Dharampal said, "It is not that people need not enroll, but in that case, they will not be able to get the benefit of the services. The idea is to link the services to biometric identity proof. If someone does not want to enroll under Aadhaar then we will consider enrollment under National Population Register which is mandatory for all," he added.

In the coming months, though, authorities could get stricter. If a UID number is not furnished six months after enrollment, then the benefit of a service may be terminated. "All those cases where the UID enrollment is rejected by UIDAI will not be able to avail the service being sought," the revenue secretary added.

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TNN Jan 2 2013 02:36 AM IST

Tags: National Population Register | Biometric Identity Proof | Aadhar Unique Identification

NEW DELHI: If you are looking to register property or your marriage in the capital, biometric identity proof will be mandatory from now. This means, along with the other necessary documentation, an Aadhar Unique Identification (UID) number or an enrolment slip showing it is on its way will be essential.

The revenue department took the lead, making biometric ID proof mandatory for all 20 of its services â€” ranging from registration of property to domicile and SC/ST certificates â€” from January 1. Other departments are set to follow suit soon.

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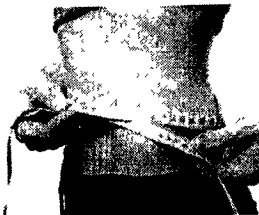
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TNN Dec 18, 2012, 02:00AM IST

Tags: UIDAI | Delhi | Nandan Nilekani | Aadhar

NEW DELHI: The Delhi government has put out public notices declaring that an Aadhaar card will be compulsory from January 1 for access to every government service. The notice has left people confused for lakhs of Delhites are yet to be enrolled under the Aadhaar programme.

On Saturday, Nandan Nilekani represented the UIDAI at the launch of Delhi Government's Annshree Yojana which is cited as the first Aadhaar UID-enabled scheme. He had informed the audience that Delhi has seen an enrollment of 1.30 crore people in Delhi and of this number UID numbers have been issued to around 1.20 crore. In all Delhi has an estimated population of about 1.67 crore. Thus over 35 lakh are yet to be enrolled

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The public notice put out by the department of revenue and the UIDAI states that "Aadhaar card is compulsory from January 1 for access to every government service". It goes on to point that Aadhaar ID will provide services like opening of a bank account, Annshree Yojana, new mobile connection, LPG connection, old age pension, BPL card and scholarship for students.

When TOI sought to know from revenue secretary Dharampal how UID can be made mandatory when lakhs are yet to be enrolled, he said that when people come to the offices of the revenue district for various kinds of registrations they will be asked to furnish their UID number. "If they don't have an ID, they will be asked to enrol. For now certain revenue services are executing this on experiment basis," Dharampal said.

However, revenue minister Arvinder Singh, whose picture is present along with that of the chief minister on the notice, is less assertive on use of the word "compulsory". "We will ask for the UID number from January 1, but since not everyone is enrolled people will not be denied a service like pension or other social security benefits that will be Aadhaar-enabled," Singh said. He said in the months ahead the government will make an attempt to link as many services as possible to Aadhaar and speed up the enrollments.

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Please find enclosed, for further necessary action, a copy of the Summary Record of Discussions of the meeting of National Committee on Direct Benefit Transfer held on 5.8.2013.

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 (Sanjay Lohiya)
 Director

Tel. No. 2301 8876

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3. Secretary, D/o Financial Services
4. Secretary, D/o Posts
5. Secretary, D/o Electronics & IT
6. Secretary, D/o Rural Development
7. Secretary, D/o School Education & Literacy
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9. Secretary, M/o Social Justice & Empowerment
10. Secretary, M/o Tribal Affairs
11. Secretary, M/o Minority Affairs
12. Secretary, D/o Health & Family Welfare
13. Secretary, M/o Labour & Employment
14. Secretary, D/o Women and Child Development
15. Secretary, M/o Petroleum & Natural Gas
16. Secretary, D/o Fertilizers
17. Secretary, D/o Food & Public Distribution
18. Director General, UIDAI
19. Secretary, Planning Commission
20. Mission Director, DBT, Planning Commission
21. Registrar General of India

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Dated 13.8.2013

Copy to : Smt. Nidhi Khare, Advisor, Planning Commission

513543786

• **Summary Record of Discussions of the 4th Meeting of**
the National Committee on DBT
held at 7, RCR at 6.00 p.m. on 5.8.2013

List of members present is at *Annexure-1*.

2. The **Prime Minister** opened the proceedings by asking the Principal Secretary to PM to present the items on the Agenda.

3. **Principal Secretary** to PM made a detailed presentation covering the four items listed in the Agenda. The four Agenda items covered were:

Agenda 1: Review of the Rollout of DBT in Phase-I (43 districts), Phase-II (78 districts), DBT-LPG (20 districts) and Online Postal Banking Services.

Agenda 2: Routing of funds in Centrally Sponsored Schemes or Central Sector Schemes where beneficiary identification and maintenance of beneficiary lists is done at the state level or below - either directly from Government of India to beneficiaries OR through state governments.

Agenda 3: Transfer of LPG Subsidy through DBT - the continuation of the two-price system of sale of LPG cylinders and the timeline for switchover to a single price.

Agenda 4: The next Phases of Rollout of LPG Subsidy through DBT

A copy of the presentation made by the Principal Secretary is at *Annexure-2*. The main points in the presentation are covered below.

4. **Agenda 1: DBT Rollout Review:**

Principal Secretary gave an overview of the rollout of DBT so far, including the level of digitisation of databases, the level of Aadhaar and bank account penetration of beneficiaries, the number and value of DBT transactions and the challenges that continue to be there. Some of the main points made by him were:

- i. **Data Quality:** Currently, only data on DBT going through APB and CPSMS is captured and reported easily. Transfers taking place through NEFT outside of these two systems have to be manually collected and collated. This highlights the necessity of quickly moving to an Aadhaar based payments system (APB &

CPSMS), otherwise, the true benefits of DBT in terms of improving processes and speeding up transfers will not happen.

ii. **Dominance of a few large schemes:** If the data of beneficiaries is broken up further, of the 39.76 lakh beneficiaries covered, JSY and the 4 post-matric scholarships account for ~33 lakh beneficiaries (83%).

iii. **Database digitization:** This continues to be a challenge. Having digitised databases is the starting point for any DBT. In many schemes, beneficiary lists were never ever collected or compiled at the central level. For many schemes, DBT was the first time they started checking lists. Departments will need to start the process of digitisation in all districts, irrespective of the rollout of DBT as this is a critical activity which need not wait and can be done in parallel.

iv. **Re-engineering processes:** The crux of the problem is that re-engineering of processes has not happened and must be an absolute priority if DBT is to expand any further. Doing the next set of districts will be impossible if process re-engineering is not done and one will face all the bottlenecks we have been facing so far. This has to be the top-most priority for the programme.

v. **Aadhaar Enrolment:** Enrolment in Aadhaar has caught up in Phase-I and is excellent now. In Phase-II, it is less than 25% in 14 districts which is a matter of concern. These districts are in UP, Bihar, Chhattisgarh, Gujarat and Uttarakhand. Aadhaar enrolment in UIDAI districts is no longer a constraint.

- a. There are 160 districts with >50% coverage
- b. There are 160 districts with 25% - 50% coverage
- c. There are 300 districts with <25% coverage

vi. **NPR Biometric collection:** RGI has to work hard in UP, Bihar, Chhattisgarh, West Bengal, Odisha, J&K and NE states to improve coverage.

vii. **Bank Account opening:** Opening accounts is happening. However, there are difficult pockets where this needs to be tackled.

viii. **Post Office Banking System:** The rollout of Core Banking is badly behind schedule. The tender for placing orders for handheld devices has been cancelled and is yet to be placed. It is not likely that the postal system will be ready for

any form of DBT (except in AP which has a different system in place) till March 2014.

- ix. **Seeding of bank accounts:** This is a problematic area. Till this is done, funds will not flow through APB which means there is no reliable way of checking whether DBT is happening or not.

5. **Agenda 2: Funds Flow Routing:**

Principal Secretary pointed out that there is a need for clarity on the funds transfer goal of DBT. Is the goal to ensure direct transfer of funds to the beneficiary through an electronic process directly from the Central Government or is this to be done through the least number of layers, and in some cases through states, depending on the nature and features of the scheme. A decision on this necessary because a variety of issues had been raised by departments and states including the level of cooperation from state governments, the level of state contribution, lack of administrative and technical capacity, accounting for committed liability of states, collection of beneficiary data is with states and there should be no separation of responsibility from authority. He mentioned that doing DBT directly from the Centre has some advantages in that there is a clear identification of the benefit with the Central Government, schemes can be tracked much better and scholarships and pensions can be released more often and in a timely manner. If a DBT system is in place with due re-engineering, states can route their benefits also in the same manner. The National Committee has to decide whether the funds flow to the beneficiary should be directly from the centre or through the states or other intermediate levels.

6. **Agenda 3: Timeline for switchover to a single price in DBT-LPG**

Principal Secretary mentioned that DBT in LPG has proved to be successful. In the 20 districts it is operating in, there are **72.3 lakh consumers of whom 16.6 lakh consumers are getting subsidy** through DBT. There have been **32.6 lakh transactions** in 2 months transferring **Rs 131 crores**. The challenge is bank account seeding which varies between 25% - 55%. The switchover from a dual price system to a single price system is due from the cut-off date of 3 months (1.9.2013). This will provide a sense of urgency and make people share their details and speed up seeding. If the date is postponed, DBT-LPG will be impossible to rollout in the rest of the country as consumers will be sure of further postponements and there will be no sense of urgency to the DBT-LPG programme.

7. Agenda 4: The next Phases of Rollout of DBT- LPG:

Secretary, Petroleum made a presentation on the current status of DBT-LPG rollout and a possible way forward in rolling it out in future. His suggestion was that DBT-LPG could be rolled out in 146 districts where Aadhaar penetration is currently >50%. This could be done in a phased manner till March 2014 and the rest of the country could be covered subsequently. A copy of his presentation is at *Annexure-3*.

Discussion - Main Points

8. There was a detailed discussion on all the agenda items. Some of the points made by the Ministers on the main issues for decision were:

i. Rollout:

- a. There are many problems and inadequacies that still need to be addressed as DBT is expanded further.
- b. Digitisation databases and collection of databases at the Centre is not happening as much as it should. Many Ministries continue to say that they do not have lists.
- c. Re-engineering of processes, which is essential for successful DBT, is not taking place. Re-engineering is necessary and will need to be done.
- d. DBT brings immense benefits through elimination of duplication, removing falsification, huge savings and timely delivery to beneficiaries.
- e. It is time to crack the whip and move faster for which it is necessary to take hard decisions and implement them.
- f. Banks have been issued instructions to directly get Aadhaar numbers of account holders.
- g. Any future rollout will need to be completed by 31.12.2013.
- h. Many schemes have dynamic and not static lists which means lists have to be compiled periodically. There are difficulties in updating and transferring data to the centre.
- i. There is no technical reason why digitised lists cannot be there, whether they are static or dynamic.
- j. DBT is not direct to bank account only but direct to family of beneficiary
- k. Practical experience in Andhra Pradesh has shown that Post Offices have delivered and not banks. Bank seeding is a real bottleneck. Decisions on Banking Correspondent compensation need to be transmitted to banks.

- l. If D/o Posts empowers Post Master Generals to sign up technology service providers, things can move faster through Post Offices.
- m. Post Offices are not an immediate solution. Banking Correspondents are a post-bank / bank account matter. The DBT Mission should address BC issues for the medium term. At the moment, the focus should be on bank accounts.
- n. There is a need for a complete IT solution which identifies benefits, eligibility criteria and has a workflow based approval and funds release system.
- o. Small schemes should be universalised under DBT.

ii. **Funds flow:**

- a. Ideal DBT is one that transfers directly through the CPSMS and APB. This should be the ultimate aim.
- b. Direct is not necessarily direct from Delhi as states provide much more in many schemes.
- c. It is impractical to have two pipes for funds flow, one for the centre and one for states.. This would be counter-productive.
- d. Insisting on transfers from the centre will slow down DBT rollout.
- e. DBT was clearly conceived as a scheme for routing funds directly to the beneficiary from the centre.
- f. There is the problem of addressing committed liability of states in schemes.
- g. Non-digitisation leads to a lot of corruption. People need to know how much is being given and who is giving the benefit. Therefore DBT should be direct from the source.

iii. **Time line for switchover to single price for DBT-LPG**

- a. There should be no postponement of the switchover to a single price system for LPG sales after the 3 month transition period.

iv. **DBT-LPG Rollout**

- a. There is a need for visible impact and DBT-LPG is the one with the maximum visibility and impact.
- b. Rollout of DBT-LPG should be much faster covering 142 districts by 1.9.2013 and 150 districts by 1.11.2013.

- c. 80% is the maximum number of consumers who will come forward with Aadhaar details. The rest may be duplicate consumers or may not be interested in the subsidy.
- d. Rolling out DBT-LPG needs a preparatory period and bank seeding is a constraint in rolling out
- e. OMCs have complete digitised lists and have no constraints.
- f. LPG is one scheme which can have immediate nation-wide impact. It can easily cover 50% of the country.

Decisions

9. After the detailed discussion in which all the above points were elaborated and discussed, it was decided that:

i. The timeline for switchover to a single price in DBT-LPG:

- a. The OMCs will be allowed to discontinue sale of cylinders at subsidized rates to consumers who have not reported their bank account and Aadhaar numbers and have not had their accounts seeded with Aadhaar numbers by 31.8.2013, i.e., the completion of the three month switchover period, in the 20 districts where DBT-LPG has been in operation.
- b. They will continue to be eligible to get their subsidy through DBT as soon as they report their bank account and Aadhaar numbers and have had their bank accounts seeded with Aadhaar numbers.
- c. For each subsequent expansion to new districts, OMCs will give a grace period of 3 months from the date of rollout for the switchover to a single price and discontinuing sale of cylinders at subsidized rates to consumers.

ii. The next Phase of Rollout of DBT- LPG

- a. Further expansion of the programme for DBT of LPG subsidy will be finalized by Minister, MoPNG in consultation with the Finance Minister after the meeting to be held by Mission Director on 13.8.2013. This would be communicated by 16.8.2013.

iii. Funds Flow

- a. The Executive Committee will examine all 25 selected schemes in DBT and the 3 pension schemes of NSAP, to recommend, within September

2013, which schemes need to continue to send the central share through the State Consolidated Fund or any other intermediate agency in 2013-14.

iv. Further Rollout of DBT

- a. The Executive Committee will also recommend, within September 2013, the possible rollout plan for the 25 selected schemes and the 3 pension schemes of NSAP beyond the current 121 districts.

The meeting ended with a Vote of Thanks to the chair.

List of participants

1. Shri P. Chidambaram, Finance Minister
2. Shri Ghulam Nabi Azad, Minister of Health & Family Welfare
3. Shri M. Veerappa Moily, Minister of Petroleum & Natural Gas
4. Shri Kapil Sibal, Minister of Communication & IT
5. Shri Sis Ram Ola, Minister of Labour & Employment
6. Kum. Selja, Minister of Social Justice & Empowerment
7. Shri Jairam Ramesh, Minister of Rural Development
8. Shri V. Kishore Chandra Deo, Minister of Tribal Affairs
9. Shri M.M. Pallam Raju, Minister of Human Resources Development
10. Shri K. Rehman Khan, Minister of Minority Affairs
11. Dr. M.S. Ahluwalia, Deputy Chairman, Planning Commission
12. Shri Nandan Nilakeni, Chairman, UIDAI
13. Smt. Krishna Tirath, MoS(I/C) of Women & Child Development
14. Shri K.V. Thomas, MoS(I/C) of Consumer Affairs, F&PD
15. Shri Srikant Jena, MoS(I/C) of Chemical & Fertilizers
16. Shri Ajit Seth, Cabinet Secretary
17. Shri R.S. Gujral, Finance Secretary
18. Shri Anil Goswami, Home Secretary
19. Smt. Sindhushree Kullar, Secretary, Planning Commission
20. Smt. Vibha Puri Das, Secretary, Ministry of Tribal Affairs
21. Shri S. Vijayakumar, Secretary, Ministry of Rural Development
22. Shri J. Satyanarayana, Secretary, Department of Electronics & IT
23. Shri Mrutyunjay Sarangi, Secretary, M/o Labour & Employment
24. Shri Ashok Thakur, Secretary, Department of Higher Education
25. Ms. Nita Chowdhury, Secretary, D/o Women & Child Development
26. Shri K.N. Desiraju, Secretary, M/o Health & Family Welfare
27. Shri R. Bhattacharya, Secretary, D/o School Education & Literacy
28. Shri Vivek Rae, Secretary, M/o Petroleum & Natural Gas
29. Shri Rajiv Takru, Secretary, Department of Financial Services
30. Shri Ravi Mathur, Secretary, Ministry of Minority Affairs
31. Shri Sudhir Bhargava, Secretary, M/o Social Justice & Empowerment
32. Shri Vijay S. Madan, DG, UIDAI
33. Ms. Kalpana Tewari, Member (Planning), D/o Posts

34. Dr. R.C. Chandramouli, Registrar General of India
35. Shri S. Sundaresan, Mission Director, DBT
36. Smt. Nidhi Khare, Advisor, Planning Commission

From PMO

1. Shri Pulok Chatterji, Principal Secretary, to PM
2. Shri Pankaj Pachauri, Communication Advisor
3. Shri B.V.R. Subrahmanyam, JS to PM
4. Smt. Anu Garg, JS to PM
5. Shri Sanjay Lohiya, Director

05-08-2013

(16)

MEETING OF THE
NATIONAL COMMITTEE
ON

DIRECT BENEFITS TRANSFER
(DBT)
PROGRAMME
5 August 2013

APPROVED ROLLOUT PROGRAMME
FOR 25 SELECTED SCHEMES

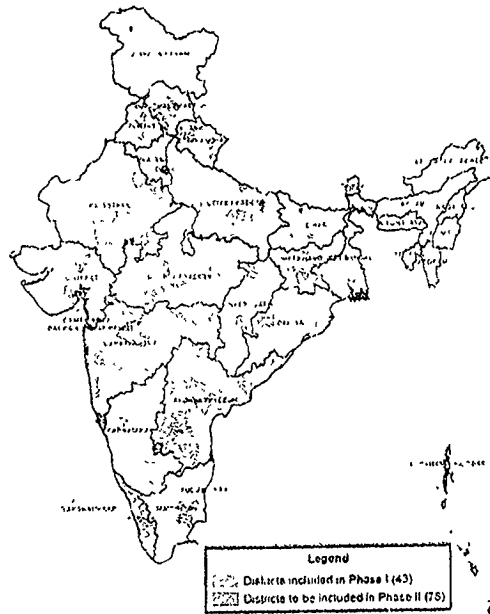
PHASE 1 FROM 1.1.2013: 43 DISTRICTS

PHASE 2 FROM 1.7.2013: 78 DISTRICTS
(45 UIDAI, 33 NPR)

TOTAL 121 DISTRICTS IN 26 STATES/UTS

05-08-2013

Districts in DBT Rollout – Phases I & II



NATIONAL SOCIAL ASSISTANCE PROGRAMME OF MORD

Widow Pension Scheme
National Disability Pension Scheme
National Old Age Pension Scheme

DBT to roll out from 1.7. 2013 in 121
Districts

05-08-2013

25 SCHEMES, 121 DISTRICTS

AS ON 31.07.2013

- 39.76 LAKH BENEFICIARIES
- 56% HAVE BANK ACCOUNTS
- 25.3% HAVE AADHAR AND BANK ACCOUNTS
- 9.62% BANK ACCOUNTS SEEDED

25 SCHEMES

FROM 1.1.2013 TO 31.7.2013

- 3.18 LAKH TRANSACTIONS THROUGH DBT
- RS. 135.18 CRORES

05-03-2013

National Social Assistance Programme

Upto 31.7.2013

- 16.73 LAKH TRANSACTIONS
- RS. 57.77 CRORES

AADHAR/NPR PENETRATION

AS ON 31.7.2013

- PHASE 1
- 39/43 DISTRICTS > 60%
 - 4/43 DISTRICTS BETWEEN 50-60%

- PHASE 2
- 42/78 DISTRICTS > 60%
 - 15/78 DISTRICTS BETWEEN 50-60%
 - 7/78 DISTRICTS BETWEEN 25-50%
 - 7/78 DISTRICTS BETWEEN 10-25%
 - 7/78 DISTRICTS < 10%

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05-08-2013

33 DISTRICTS OF NPR

AS ON 31.7.2013

TARGET WAS TO ACHIEVE MORE THAN 70%
COVERAGE BY 30.6.2013

- 15/33 DISTRICTS ACHIEVED < 60%
- 7/33 DISTRICTS ACHIEVED < 10%
- 5/33 DISTRICTS BETWEEN 10-25%

9

Challenges in DBT

❖ Opening Bank Accounts

- Banks not present everywhere
- Postal system nowhere near being ready for DBT

❖ Seeding Bank Accounts

- ❖ Process re-engineering by Departments to facilitate DBT on large scale – still poor

10

NEXT PHASE OF ROLLOUT

- PERHAPS 50-100 DISTRICTS (TO BE CHOSEN ON BASIS OF AADHAR/NPR COVERAGE) FROM 1.10.2013 AFTER STABILIZATION OF DBT IN 121 DISTRICTS
- SMALLER SCHEMES COULD PERHAPS ROLL OUT COUNTRYWIDE
- RECOMMENDATION IN SEPTEMBER 2013

11

DBT FOR LPG SUBSIDY

APPROVED PROGRAMME:

- IN 20 DISTRICTS FROM 15.5.2013
- IN 51 DISTRICTS OF PHASE 1 WHEN AADHAR ENROLMENT OF CONSUMERS CROSSES A THRESHOLD

12

DBT FOR LPG SUBSIDY

AS ON 31.7.2013

20 DISTRICTS IN 1 STATE

- TOTAL NUMBER OF CONSUMERS: 72.3 LAKHS
- NUMBER OF CONSUMERS GIVEN SUBSIDY THROUGH DBT: 16.6 LAKHS
- TOTAL SUBSIDY TRANSFERRED THROUGH DBT: RS. 131 CRORES
- AADHAR PENETRATION > 65% IN ALL 20 DISTRICTS
- BANK ACCOUNT SEEDING: 25-54%

15

POST OFFICES

- 16,000 POST OFFICES IN 51 DISTRICTS OF PHASE 1
- INCLUSION IN CORE BANKING SYSTEM AND ICT ENABLEMENT WAS TO BE ACHIEVED BY 30.9.2013
- DATE HAS NOW SLIPPED TO 31.3.2014

16

05-08-2013

STEPS TAKEN TO ENABLE DIRECT TRANSFER FROM CENTRE

- ONLINE SYSTEM FOR CREATION OF DIGITIZED
DATABASES OF BENEFICIARIES
- AADHAR PAYMENT BRIDGE SYSTEM (APBS)
 - DBT MIS SYSTEM
- CPSMS NOW FACILITATES PAYMENT THROUGH
APBS, NECS AND NEFT
 - STANDARDIZED FORMATS
 - ELECTRONIC PAYMENT ADVICE

STEPS TAKEN TO ENABLE DIRECT TRANSFER FROM CENTRE

- CPSMS NOW ALSO FACILITATES
SCHEMEWISE MIS
- CONFIRMATION OF TRANSFER
THROUGH CPSMS IS DEEMED
UTILIZATION CERTIFICATE

05-08-2013

- GENERAL APPROVAL FOR DIRECT TRANSFER OF CENTRAL SHARE FROM CENTRAL MINISTRY TO BANK ACCOUNT OF BENEFICIARY

- ❖ INSTRUCTIONS ARE FOR:

- **COLLECTING AUTHENTICATED BENEFICIARY DATA / DATABASES FROM STATES**
- **RELEASE BENEFITS DIRECTLY FROM CENTRE THROUGH DBT**

- DRAFT CABINET NOTE BY PLANNING COMMISSION

PERCEIVED ADVANTAGES OF DIRECT TRANSFER FROM CENTRE

- Clear identification of benefit with Central Government
- Schemes can be tracked much better
- Targeted delivery
- Timely delivery
- Elimination of delays in receiving UCs
- Elimination of dependence on States for introducing DBT

OBJECTIONS FROM MINISTRIES TO DIRECT TRANSFER FROM CENTRE

- (MCS II AND PWD)

- SCHEMES ENVISAGE THAT STATES WILL BE IMPLEMENTING AUTHORITY AND BE RESPONSIBLE FOR IDENTIFICATION OF BENEFICIARIES, TIMELY PAYMENTS, ETC.
- SUBSTANTIAL PART OF THE PAYABLE SCHOLARSHIP IS BORNE BY THE STATES
 - CONCURRENCE OF THE STATES IS NECESSARY
 - MINISTRIES HAVE ONLY SKELETON STAFF
- NO SYSTEM OF RECEIVING LISTS OF BENEFICIARIES FROM STATES

3

OBJECTIONS FROM MINISTRIES TO DIRECT TRANSFER FROM CENTRE

- (MCS II)

- ARCHITECTURE OF POST MATRIC SCHOLARSHIP SCHEME DUE FOR MAJOR REVAMP

- (MCS II)

- JANANI SURAKSHA YOJNA FUNDS ROUTED THROUGH STATE AND DISTRICT HEALTH SOCIETIES

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05-08-2013

OBJECTIONS FROM MINISTRIES TO DIRECT TRANSFER FROM CENTRE

MOSD

- DIRECT FLOW FROM CENTRE WILL SEND WRONG POLITICAL SIGNALS
- STATE CONTRIBUTION IS OFTEN MUCH MORE THAN CENTRAL CONTRIBUTION
- SIGNIFICANT PAYMENTS MADE THROUGH POST OFFICES, MONEY ORDERS AND CASH
 - MONEY SHOULD FLOW TO THE STATE CONSOLIDATED FUND WITH PENALTIES ON STATE FOR DELAYED TRANSFER

21

OBJECTIONS FROM MINISTRIES TO DIRECT TRANSFER FROM CENTRE

- JANANI SURAKSHA YOJNA OF MoHFW
- POST MATRIC SCHOLARSHIP FOR SC STUDENTS OF MoSJE
- POST MATRIC SCHOLARSHIP FOR OBC STUDENTS OF MoSJE
- PRE MATRIC SCHOLARSHIP FOR SC STUDENTS OF MoSJE
- POST MATRIC SCHOLARSHIP FOR ST STUDENTS OF MoTA

22

OBJECTIONS FROM MINISTRIES TO DIRECT TRANSFER FROM CENTRE

- THESE 5 SCHEMES ACCOUNT FOR 83% OF BENEFICIARIES IN 121 DISTRICTS
- THREE PENSION SCHEMES OF MoRD UNDER NSAP ALSO INCLINED TO TRANSFER THROUGH STATES
- IMPLICATION: ALMOST ALL CENTRAL FUNDS WILL CONTINUE TO FLOW THROUGH STATES AND NOT DIRECTLY

OBJECTIONS FROM STATES TO DIRECT TRANSFER FROM CENTRE

• CM PANDE NADU

- OPPOSED TO DIRECT TRANSFER FROM CENTRE
- DIRECT TRANSFER WILL DIVORCE RESPONSIBILITY FROM ACCOUNTABILITY
 - MANY ARE ONLY PILOT SCHEMES
 - DBT WILL BECOME UNMANAGEABLE AND CREATE ADMINISTRATIVE PROBLEMS
- SHOULD ROUTE ALL FUNDS THROUGH STATE GOVERNMENT

05-08-2013

(144)

OBJECTIONS FROM STATES TO DIRECT TRANSFER FROM CENTRE

TRANSFER PROBLEM

- HAVE A BETTER WAY OF DOING DBT FROM
STATE LEVEL

DUAL SYSTEM OF PAYMENT OF LPG SUBSIDY

- BY DBT THROUGH APBS
- • SUBSIDIZED CYLINDER ON CASH PAYMENT (TO END BY
31.8.2013)
 - ❖ WITHOUT A FIXED CUT-OFF DATE TO MOVE TO
SINGLE PRICE SYSTEM, CONSUMERS HAVE NO
INCENTIVE TO HAVE ACCOUNTS SEED.
 - ❖ IN CASE SWITCHOVER DATE IS POSTPONED,
UNIVERSALIZATION OF DBT-LPG WILL BE DIFFICULT AS
CONSUMERS WILL BE SURE THAT THE 3 MONTHS
SWITCHOVER PERIOD IS EXTENDABLE.

164
10/3

05-08-2013

8/11/13

DUAL SYSTEM OF PAYMENT OF LPG SUBSIDY

- ❖ IF SUBSIDIZED CYLINDER ON CASH
PAYMENT IS DISCONTINUED FROM
1.9.2013, CONSUMERS WILL REMAIN
ELIGIBLE FOR SUBSIDY THROUGH DBT.

27

DECISION 1

- SHOULD DIRECT TRANSFER OF CENTRAL SHARE
TO BANK ACCOUNTS OF BENEFICIARIES BY
CENTRAL MINISTRIES FOR SELECTED SCHEMES BE
MADE MANDATORY?
- OR
- SHOULD IT BE LEFT TO THE MINISTRIES TO
DECIDE WHETHER THEY WANT TO CONTINUE TO
SEND CENTRAL SHARES THROUGH STATE
GOVERNMENTS OR OTHER INTERMEDIATE
AGENCIES?

28

05-08-2013

DECISION 2

- SHOULD OMCs BE ALLOWED TO DISCONTINUE SALE OF CYLINDERS AT SUBSIDIZED RATES AFTER 31.8.2013 IN THE 20 DISTRICTS?
- SHOULD THE DATE BE EXTENDED BEYOND 31.8.2013 AND THE OMCs BE ASKED TO CONTINUE WITH THE DUAL SYSTEM OF LPG SUBSIDY PAYMENT?

Thank You

MEETING OF THE
NATIONAL COMMITTEE
ON
DIRECT BENEFITS
TRANSFER
(DBT)
PROGRAMME

5 AUGUST 2013

AGENDA ITEM 4

Rollout
of LPG subsidy
by
DBT

07-08-201

Current Aadhaar Saturation*

Current/Future Aadhaar Roll Out				Already launched	Not launched
#	Present Aadhaar Saturation	Number of Districts	Months Req'd. To Reach 90% saturation		
1	>90%	21	Done	14	7
2	80-90%	32	2-3	8	29
3	70-80%	36	3	2	34
4	60-70%	37	6	1	30
5	50-60%	46	8	0	46
6	40-50%	44	8-12	0	44
7	30-40%	73	12-18	0	73
8	20-30%	65	18-21	0	65
9	10-20%	60	21-24	0	60
10	0-10%	242	24-27	0	242
TOTAL		650		20	630

ASSUMPTIONS: 1. The above timelines are based on current pace of enrolments
 2. The actual timelines may vary depending on any changes in processing capacity at UIDAI.
 3. The enrolment timelines for RGI districts is subject to confirmation by them.

* Source - UIDAI

3

Proposed Schedule

Phase	Aadhaar Saturation	Number of Districts	During
I	>80%	20	Already Launched
II	>50%	146	2013-2014
III	30-50%	117	2014-2015
IV	<30%	367	2014-15 and 2015-16

4

Phase II

	Number of Districts	Aadhaar Saturation	Launch On
a.	36	> 80%	1.10.13
b.	34	70-80%	1.12.13
c.	30	60-70%	1.1.14
d.	46	50-60%	1.2.14

TOTAL OF 146.DISTRICTS WILL BE UNDER
PHASE- II OF DBTL DURING FY 13-14

5

Risk Factors Under Phase II

- Current Aadhaar seeding levels near zero
- Inadequate seeding levels in LPG/Bank database when grace period ends especially for Phase II (a) and (b) districts - may lead to consumer unrest/law and order problems nearing end of grace period.
- Aadhaar saturation <80% in 76 Phase II(c) and (d) districts when scheme is launched in January/February 2014.

6

Learning from Phase I

- ▣ Required around 6 months to reach 60% seeding in LPG database in 20 districts
- ▣ Preparatory Activities – requires 3 months
 - IEC (SMS, FM, Paper, Aakaashvani, door to door)
 - District wise Training of Dealers/ field officers, Workshops on DBTL (seeding process/ RASF verification)
 - Meetings with Collectors
 - Setting up of District Level Committee and IEC by district administration after that.

7

Challenges Ahead

- ▣ Expeditionious conversion of EID to UID and delivery of Aadhaar letters
- ▣ Returned Transactions to be reduced to <0.1% (0.5-0.8% currently).
- ▣ Actionable and standardized return codes by banks.
- ▣ Single Point of contacts for wrong transactions in banks
- ▣ Lack of visibility to consumer on Bank Seeding process – LPG seeding is visible on website/call centre.
- ▣ Call centre for banks/NPCI for Aadhaar seeding/mapping issues

8

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07-08-201

THANK YOU

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ANSWER-A-27

6/12/12

HANSU

P-2



विभिन्न प्रयोजन, प्राधिकरण

भारत सरकार

न क्रमांक/Enrolment No.: 12345678901234

Smt. Sheila Dikshit
Chief Minister, DelhiSh. Arvinder Singh
Minister of Revenue, Delhi Govt.

AADHAAR

Your all purpose identity

AADHAAR
Aam Aadmi Ka Adhikaar

To,
D. S. Bisht (डी.एस. बिष्ट)
DCM Building, 10th Floor,
16, Barakhamba Road,
New Delhi - 110001
New Delhi - 110001



123456789

IN

भार संख्या / Your Aadhaar No. :

4 5555 6666

— आम आदमी का अधिकार

डी.एस. बिष्ट
D. S. Bishtपिता : एस.एस. बिष्ट
Father : M.S. Bisht

जन्म वर्ष/Year of birth : 1970

पुरुष Male

4444 5555 6666



— आम आदमी का अधिकार

AADHAAR CARD

- A 12 digit unique identification number
- Recognized all over India.
- Issued free of cost
- Helpful in getting Govt and non-govt. services.

AADHAAR Identification Number will provide services like:

- Opening of Bank Account
- Annashise
- New Mobile Connection
- LPG connection
- Old Age Pension
- BPL card
- Scholarship for students



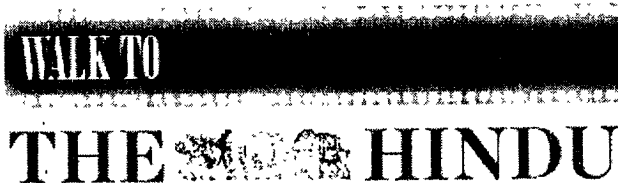
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ANNEXURE-A-28

it for court ruling, 24 lakh would have lost access to subsidised LPG

<http://m.thehindu.com/news/national/but-for-court-ruling-24-lakh-wo>



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But for court ruling, 24 lakh would have lost access to subsidised LPG

October 12, 2013 By Nitin Sethi | 4 comments

"Only subsidy and not service has been made conditional on providing the Aadhaar number"

The Supreme Court order on Aadhaar is expected to provide relief to more than 24 lakh people in 20 districts who would have got locked out of access to subsidised LPG gas cylinders for not having valid UID cards that are linked to banks.

The court in its interim order said no one should be denied benefits of a government scheme for lack of Aadhaar cards.

The government and Oil Marketing Companies (OMCs) sent petitions asking for relief but the Supreme Court refused to alter the ruling, instead setting an early date of October 22 for the final hearing.

OMC argument

The OMCs told the court that the scheme to transfer subsidy, in cash, for the LPG cylinders had been launched in 20 districts in June 2013. The second phase in another 34 districts was planned for September and in another 44 districts for October

They also informed the court that the policy was to cut off subsidy to those consumers who had not got their Aadhaar cards linked to the bank accounts as well as their LPG connections. The cut-off would take place after a three-month grace period. The cut-off date for the 20 districts officially began in the beginning of September.

The OMCs then admitted that only 60 per cent of the consumers had got their Aadhaar numbers linked to both banks and LPG distributors. The others "may enrol themselves in due course – when they will become eligible to receive the subsidy for balance entitlement," the plea said. They was a possibility that these were all cases of fake or duplicate LPG connections, in which case they may never enrol.

Out of 50.88 lakh cards that were checked for duplication, the authorities found that 45,000 cardholders with multiple connections, the OMCs told the court.

The application by the Unique Identification Authority of India is carefully worded to couch this concern. "There is no disruption of service (supply of LPG at market price) to consumers who do not provide Aadhaar, as only subsidy and not service has been made conditional on providing the Aadhaar number."

Though the OMCs talk of 40 per cent of the consumers in the first phase still not being linked to receive the cash subsidy, the authority's application reads: "Consistent with the resolution of the government that there is no undue hardship during the makeover to Aadhaar enabled systems, the scheme is being introduced in a staggered manner in districts with a high proliferation of Aadhaar."

The Union Cabinet note for the National Identification Authority of India Bill, finalised some days before the application before the court, reveals more.

It said that till August end, 49.42 lakh consumers had got their subsidy paid in cash for LPG cylinders out of the total of 73.66 lakh consumers holding connections.

The Cabinet note is also self-contradictory in parts. In one part, it talks of making the UID mandatory only for public benefits when the UIDAI programme is fully rolled out and Aadhaar numbers are issued to all residents. But for the cash against the LPG scheme, the government has already pushed to make it mandatory.

it for court ruling, 24 lakh would have lost access to subsidised LPG

<http://m.thehindu.com/news/national/but-for-court-ruling-24-lakh-wo>

In another part of the note, the government states that the entire investment in the UID scheme would become 'infructuous' if Aadhaar is not made compulsory for government schemes once it's fully rolled out.

The OMCs, again running against the government's logic of making Aadhaar mandatory only when it is fully rolled out, have pleaded before the court that not permitting authorities to implement the cash subsidy for the LPG scheme in its present shape would cause immense problems and trigger "serious doubts and confusion and uncertainty in the minds of several crores of residents in India who have already enrolled for Aadhaar, regarding the validity and usefulness of Aadhaar."

Like 10



Related topics

interior policy, personal data collection, judiciary (system of justice), court administration, politics, government

Comments (4)

It is a mystery how 24 lakhs would loose access to LPG. If these beneficiaries are existing then they can enroll for Aadhaar and would also get the subsidy. Our nation is bleeding because of leakages. Certain vested interests who is benefiting from corruption is targeting Aadhaar.

From: Korath V Mathew

Posted: Oct 14, 2013 at 16:13 IST

The confusion about aadhaar being mandatory or not and the issue of giving aadhaar numbers to illegal immigrants are valid concerns. Aadhaar should not be made mandatory and direct cash transfers should co-exist with subsidized sales. Aadhaar numbers of illegal immigrants should be cancelled.

From: Mukesh

Posted: Oct 13, 2013 at 19:47 IST

The whole UIDAI scheme was ill-conceived, poorly planned and badly executed. From the time one got the form to enrol for data entry till the card was delivered was all bribe prone and smacked of total inefficiency. The people entrusted with collecting data did not know their jobs. My photo on the Aadhar card cannot be recognised. It is obvious that the franchisees for collecting data were chosen based on bribes. In spite of claims by the UIDAI authorities. I received the card after last a year after I threatened to raid the post offices who were hoarding cards for bribes. The linking of Aadhar numbers with bank accounts was another big fiasco. There was no set procedure and the gas agencies were not interested in guiding their customers. It appeared that the government was interested in making it difficult so that the number of people getting subsidies is reduced. All in all this is a method of cheating people but yet claiming that subsidy has been given. You can not expect any better

From: S N IYER

Posted: Oct 13, 2013 at 11:12 IST

The whole scheme is designed to deny subsidised LPG to as much people as possible by such subterfuges as Aadhar and punish those who are poor for no fault of theirs. This is the net result to them of globalisation thrust on the country by the rulers in support of corporate capital

From: KRam

Posted: Oct 13, 2013 at 8:48 IST

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A-

A+

The Hindu, 2013

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Court's record of the proceedings on the said date noting the recommendations of the Wadhwa Committee Report for incorporating technological advances in the working of PDS, that suggests the option of leveraging Aadhaar in the future. Further, it is worth pointing out that at the time of publication of the Committee's report, the Aadhaar project was itself in its first steps and a number of implications and workings of the project were yet to emerge and therefore cannot be a basis for assuming legitimacy of the project.

42. With regard to paragraph 21-23, I say that the contents thereof are overstated and incorrect claims of the Applicant. I deny that Aadhaar is even an instrument of identity as claimed by the Applicants let alone an instrument of entitlement. It is merely an instrument of identification for the State.

43. With regard to paragraph 24, I state that the claim made therein that the utility of the scheme would be substantially diluted if alternate modes of identity are allowed to proliferate is incorrect. I say that the same is no ground to seek continuation of the scheme which is manifestly unconstitutional. I say that the Applicant has conveniently not referred to reservations expressed by the Ministry of Home Affairs and the conclusion of the Standing Committee with regard to the draft bill.